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## NOTES OF THE WEEK

It is a serious danger at the present time that the Prime Minister and the most important members of the Government should be in Paris or passing half the week in going backwards and forwards between London and Paris. What are the boundaries of Bohemia to us compared with the settlement of the problems of reconstruction and demobilisation, which are developing into a kind of civil war? No important decision can be taken with regard to reconstruction or demobilisation without Sir Eric Geddes: and just at the moment when his answer is wanted, he is either in Paris or on his way out or in. Mr. Churchill, again, should be at the War Office, not in the Champs Elysées. We should have thought that even the Prime Minister had better be in Downing Street, and that he might leave Mr. Balfour and Lord Robert Cecil to argue with President Wilson—argument is Mr. Balfour's strong point. As for the Lord Chief Justice who has changed from a financial broker to a food controller, that is a scandal past praying for.

Of course the little States think they are being snubbed by the Five Great Powers: little people are always touchy and cocky. Accordingly, Portugal, Belgium, Roumania, Greece, Brazil, Serbia, Czechoslovakia, Serbo-Croatia, Montenegro, have all put forward claims for increased representation at the Conference. And Germany? Germany says she will by no means consent to be admitted as "a pariah," so that the chances of Germany's appearing in a white sheet look slender. It is one thing to impose terms of peace on Germany, Austria, and Turkey by armies of occupation. It is another to start the new States. We here in England imagine ourselves to be civilised: yet the trades unions have begun a brisk civil war upon society. Why should we imagine that the half-civilised peoples of Eastern Europe, the Czechoslovaks, Serbs, Croats, Bulgars, Ruthenes, Magyars, and Poles, will settle down in peaceful fraternity? Mr. Wilson must be back in Washington by the 1st March, when the new Congress meets. The little States must then look for their shepherd in "The Mouse," as Colonel House is called.

We foresee two great dangers hanging over the Paris Conference. The first is that the whole business will be drowned in talk; the second, that British interests will be betrayed, or, if that be thought too harsh a word, will be sacrificed to the indifference of

our neighbours, and the jealousy of others. The vice of democracies is verbosity, and in the speeches and interviews of President Wilson we see but too much evidence of this fatal fluency, meaning little or nothing. Here are two gems picked from the speech of President Wilson in opening the discussion on the League of Nations. "It will not suffice for us to satisfy Governmental opinion anywhere. It is necessary that we should satisfy the conscience of mankind." What does that mean? Just nothing at all: it is a flourish, a phrase, for the conscience of mankind is a pure abstraction. If Mr. Wilson means the collective opinion of men, it differs in different countries.

Here is another gem of nonsense. "The select classes of mankind are no longer the governors of mankind. The fortunes of mankind are now in the hands of the plain people of the whole world." That is not true, as Mr. Wilson must know better than anybody. It is a physical impossibility for "the plain people of the world" to govern, by reason of their numbers. The select classes, whether military officers, or bureaucrats, whether a Kaiser and his Council, or a President and his Cabinet, must always govern, and Mr. Wilson is himself the representative of the most absolute system of government. Except for the newspapers and their half-educated readers, what is the use of this clap-trap? The Americans are not in the least "crusaders": they are not such fools. They came into this war because they saw that if Germany won, North and South America would be in real danger.

If the representatives of the other nations at the Conference continue to make speeches in the Wilsonian vein, there will be months of talk, and nothing done. The second danger, that of British interests being bargained or intrigued away, is even more serious. It is a striking fact that while the reparation or acquisitions due to Belgium, to France, and to Italy, are taken as a matter of course, and undebatable, the disposition of the German Colonies and Asiatic Turkey, conquered by British ships and armies, is to be laid on the table and made to fit into President Wilson's Fourteen Points. Belgium is to be rebuilt and repaid; France is to get Alsace and Lorraine and a handsome money payment; Italy is to get the Trentino, Trieste, the Adriatic Coast, and the Twelve Greek Islands, known as the Dodekanese. But Britain? Surely Great Britain is too generous, too rich, and too magnanimous to want anything!

The discussion over the disposal of the German colonies revolves round this question: whether these colonies shall be divided between Britain, France, America, and Japan: or whether they shall be handed over in trust to the above mentioned Powers as mandatories of the League of Nations. Our contention is that Britain should take them all, as they were conquered by British sailors and soldiers, and France and Italy are getting so much in Europe. The mandatory theory is hypocrisy, and will end in confusion and quarrelling. It is a repetition of the Mixed Tribunals and the Capitulation Laws in Egypt, a system which has been a failure even with a submissive government like the Egyptian. Does anyone suppose that the Australians, or the Japanese, or the Americans, would tolerate constant interference from the League of Nations? The sudden claim of Japan is a very disturbing factor: but did we think that Japan came into the war for the sake of our beautiful eyes, or for the cause of freedom? Those who thought so know little of the statesmen of the Rising Sun.

As a particular instance of the danger to which British interests are exposed by the method of procedure adopted by the Conference, let us take the case of what is called the internationalisation of ports, waterways, and railways. A Commission of fifteen has been appointed to report, of which ten are to be appointed by the Five Great Powers (two each), and five by the other Powers. On this Commission there will be two British votes, and thirteen non-British votes. Suppose the Commission reports in favour of internationalising all the principal ports of the world. Are then the ports of London, Liverpool, Southampton, Hull and Leith to be placed under an international port authority, which shall regulate the terms and conditions on which they are to be used by ships of all nations? If so, there will be "some" trouble, possibly from Mr. Havelock Wilson and his sailor friends.

There remains the all-important question of the freedom of the seas. It is simply essential to Britain's safety, to say nothing of her power, that the right of capture and consequently the right of search, should remain in our own hands. In no other way can a commercial blockade, a blockade of areas as distinguished from particular ports, be enforced. Yet there is the danger of a conspiracy, or an intrigue, against Britain on this point. Do not let us be cheated by the fine phrases of internationalism. International friendships are very brittle things. The French and the Americans are our very good friends just now: will they always be so? Throughout the eighteenth century, and the first decade and a half of the nineteenth century, we were fighting with the Germans (Austrians and Prussians) against the French. To-day we are fighting with the French against the Germans. Who can say with whom we may be fighting against whom half a century hence? We should do well to realise the truth that all the other nations are jealous of our maritime supremacy, and would like to see it diminished.

The Russian Bolsheviks have returned just the answer that might have been expected from those ferocious baboons, lolling on the down of usurped power. The island in the sea of Marmora is too far off for their majesties to travel in winter: besides it has an air of hunger-mugger secrecy that is offensive. Russia is settled, and quite satisfied with its government of murderers and thieves. What is there to confer about it? "However, we will consider the proposal of the Powers." Such is the rebuff administered to President Wilson, whose absurd ignorance of the facts of European politics is daily being discovered. Mr. Lloyd George, who is always under the influence of somebody, is at present under the spell of President Wilson, and follows him meekly. But M. Clemenceau has lived too long to believe in spell-binders, and the French Press made a strong protest against meeting in conference the masters of the Red Guards. The discredit of the proposal must be divided between Messrs. Wilson and Lloyd George.

Next to the Majority Socialists the largest number of seats (91) in the new Reichstag has been secured by the "Christian Peoples' Party." May we ask, who are the Christian Peoples in Germany? Their presence was not distinguishable in the war. A Catholic party, a Priests' party, we understand, and we suppose that it is chiefly recruited from Bavaria. But in the war the Bavarians, next to the Prussians, were conspicuous by the insolence of their language, and by the ferocity of their conduct. Lady Teazle, in the 'School for Scandal,' says to Joseph Surface, "Don't you think we may as well leave honour out of the argument?" In labelling the German peoples, who fought in the Great War, may we not as well leave Christianity out of the argument?

Mr. Churchill's proposals for the Army are as follows:—All men who enlisted (under conscription, of course) after the 1st January, 1916, are to be obliged to remain in the Army for another year on increased pay, which is regulated by a scale of bonuses, quite considerable. From this proposal, which, presumably, will have to be sanctioned by Parliament in the form of an Act, the following classes are exempt:—1. All men over the age of 36. 2. Colonials, who are being repatriated as fast as possible. 3. All men with three wound stripes. 4. All men for whose release the Labour Ministry had applied (on the ground of their being pivotal men) before the 1st February, 1919. The requisite strength of the British Army is to be 900,000.

It will thus be seen that the principle of conscription or compulsion will remain in force for another year, and we have no doubt that this will be received with a howl of execration in many quarters. It is true that the pay is to be substantially raised, and probably a great many officers and men will be very glad to remain with the colours on improved terms. It remains to be seen how large a proportion of the 900,000 wanted will volunteer to remain, and how many will have to be retained by the authority of Parliament. Britons dislike the principle of compulsion heartily, except when exercised by a trade-union, and the country must be in actual danger for them to embrace it cheerfully. But unfortunately, the war is not over. The German mentality is quite peculiar. Just as the armistice came upon the German civilians like a thunderclap, for they believed their armies to be winning up to the last hour, so we are convinced that the Germans to-day have not the faintest idea that they are going to be made to pay any damages.

The Germans think that they did us a great honour in condescending to make war upon us. They have not won, though they do not admit that they have been defeated. They know that they have run up a war debt amongst themselves of some six thousand millions, which they regard ruefully enough, as interfering with business. But they have no idea, we feel sure, that they are going to be called on to pay many thousand millions to the inferior races whom they have failed to civilise. When the peace terms are made known, it may well be that the new German Government will not dare to accept them, and will require to be compelled by the advance of Allied troops into Germany, possibly to Berlin. This, obviously, will necessitate the maintenance on a war footing of large Entente armies, to which all the Allies must contribute proportionately.

It is quite just, indeed, necessary, that the salaries of the Navy and Army and the Civil Service should be raised: it has been made inevitable by the inflation of the currency, as a result of the most reckless war expenditure ever known. Unfortunately, the relief to officers in the Army and Navy and the higher Civil Servants is more apparent than real, as they are the chief contributors to income-tax. To double a man's pay and to quadruple his income-tax is a little like taking money out of one pocket to put it in another. The disgraceful feature about the present income-tax is



the escape from payment of the artisans and taxi-drivers and that indefinable class, who hang upon the nation, and pocket their £5 to £10 a week. Mr. Arnold reckons the number of income-tax payers as 2,000,000; we should not reckon it so large; we think it nearer 1,500,000; it ought to be some 6,000,000. Another swindle is the retention by the Inland Revenue authorities of the overpaid taxes of those who claim rebates, and who are entangled in months of dilatory official correspondence.

The pay of the Navy is to be increased, and the pay of the Army is to be increased, and the pay of the Civil Service will have to be increased. What this increase of national expenditure will amount to we do not know exactly, though we can form estimates. If the amount of pensions, and the cost of vast housing and education schemes be added, it is quite clear that an annual revenue of some £700 or £800 millions will have to be provided, or four times our pre-war expenditure. And if it further be considered that the excess profits tax will have to be, if not abolished, greatly reduced, in order that the industry of the country may continue, people can judge for themselves if there is any prospect of the present rates of income-tax being lowered.

In an earnest leading article on Industrial Unrest *The Times*, some time ago, advised the public "to keep cool." In present climatic conditions that is advice which the public will have no difficulty in adopting, and they are likely to be assisted by the miners who threaten to stop our scanty rations of coal. Our editorial temperature has been still further lowered by the absence of a kitchen-boiler and the presence of several British workmen (not working men), who have complacently occupied our basement, with long intervals necessitated by "a fuller life" elsewhere, for the last week. The contractor pays, the household freezes, and the plumbers' trade union rejoices. We have been making serious inquiries as to what countries are not fit for heroes to live in, with a view to removing thereto.

The letter which we publish on the miners' question signed by "Free Lance" (the writer sends us privately his name and address), exactly represents the thoughts, we believe, of the average trade-unionist striker. The miner knows that he descends into the bowels of the earth, and naked or half-naked, hews out coal for five or six hours a day, for five or six pounds a week. It is a tiring and dirty job, and he lives in a more or less comfortable cottage hard by. He sees that the Chairman or Manager of the colliery company lives in a big house in London or the country, and fares sumptuously every day, probably reckoning his income at twenty or forty times his wage. Now, says the collier, my muscle is as necessary and as valuable as his capital and brain; why should we not both receive the same wage? But the collier is wrong. It is a question of supply and demand. There are some five million men with the muscle required to hew coal. There are perhaps ten thousand men with the capital and the brains required to be the Chairman and Manager of a colliery company.

The letter which we publish under the initials M.A.M.D. is from one who lived in Holland as a prisoner. It is the deplorable truth that, with the possible exception of Norway, Holland and the Scandinavian countries had but one thought during the war, namely, to make as much money as possible out of both belligerents without quarrelling with either. Holland and Sweden drained themselves dry of all articles, food and iron ore and ball bearings, in order to sell them to the Germans or the British, whichever paid the higher. To make themselves rich the merchants and brokers of these countries ran the risk of starving their own peoples, and have in fact inflicted great suffering upon them. By the cause of the Entente in

fighting to put down military tyranny they were quite untouched. They deserve no consideration in the arrangements of the Peace Conference, and we hope they will get none.

There is a formidable split between North and South in the Irish Unionist Party. The Southern Unionists have broken away from Sir Edward Carson and Lord Londonderry and formed a party of their own, which has been joined by Lord Middleton, Lord Iveagh, Colonel Wyndham-Quin (Lord Dunraven's heir), and Lord Kerry (Lord Lansdowne's son). The Ulster Unionists are prepared to agree to Home Rule if Ulster is left out of it. The Southern Unionists are against the partition of Ireland. We can well understand that the Southern Unionists object to being left to the tender mercies of Sinn Feiners and priests without the alliance and support of the Ulster Unionists. Lord Middleton's party say that together with the Ulster Unionists they could form a minority in a Home Rule parliament strong enough to prevent oppression and robbery. The Ulster Unionists will not make the experiment.

Throughout the nineteenth century, and for the first decade of the twentieth, the Irishman was the pet of the British public. It was true he murdered and robbed; shot his landlord or his agent from behind stone walls, and wouldn't pay his rent: took millions of British money to buy his holding, and abused us in return. But that was Irish humour. Sheridan, Wilde, and Shaw established, beyond dispute, the Irish claim to wit. Paddy in a broken top hat, swallow-tail coat, red tie, breeches and stockings, with a shillelagh in his hand, was the idol of the music-halls. Suddenly came the war, the great war of 1914, when England was caught short, and had to fight for very life. Then was it discovered that the Irish wouldn't fight! That finished Paddy, settled him once and for all. His jokes are no longer tasted, and there remain on the palate Casement, Markiewicz, and De Valera.

The Dowager Marchioness of Londonderry has resigned her position as President of the Ulster Women's Unionist Council, and her valedictory address was read at the meeting of that body on Wednesday last. Just over 118 years ago Lord Castlereagh carried the Act of Union through the Irish Parliament, and his family has a greater hereditary claim than any other on the gratitude of Ulster. No one has worked harder or more successfully for the Unionist cause than Lady Londonderry, and she has resigned her presidency of the Women's Unionist Council for no other reason than that since the death of the late Lord Londonderry she no longer lives a portion of the year in Ireland. The Women's Unionist Association was formed in Belfast in 1911, when it looked as if Mr. Asquith, with his Parliament Act, would succeed in forcing Ulster into his Home Rule scheme.

De Quincey, as a boy of fifteen, happened to be in the Irish House of Lords when the Act of Union was finally passed, and has left us an unforgettable word-picture. "However, on this memorable day, thus it was the Union was ratified; the bill received the Royal assent without a muttering, or a whispering, or the protesting echo of a sigh. Perhaps there might be a little pause—a silence like that which follows an earthquake; but there was no plain-spoken Lord Belhaven, as on the corresponding occasion in Edinburgh, to fill up the silence with 'So, there's an end of an auld sang!' All was or looked courtly, and free from vulgar emotion. One person only I remarked whose features were suddenly illuminated by a smile, a sarcastic smile, as I read it; which, however, might be all fancy. It was Lord Castlereagh, who, at the moment when the irrevocable words were pronounced, looked with a penetrating glance among the ladies. His own wife was one of that party; but I did not discover the particular object on whom his smile had settled."

## THE STRIKES.

AT the present there are in existence three strikes of considerable importance at Belfast, in Glasgow and London, and other strikes of even greater importance are threatened in the coalfields, in the public utility undertakings, and on the railways. The pretext for the strike in the first two cases is a demand for shorter hours, in the last for an increase in wages by 15s. per week. When unrest is so general it is difficult to dogmatize as to its causes. Quite clearly out of the many contributing causes two stand out. In the first place the feeling among the men is general that this is the time, before the normal law of supply and demand begins to operate again, to clinch the advantages as to wages and hours won during the exceptional war-time conditions; secondly, there is a no doubt genuine belief, voiced by the Clyde rebels in language that smacks of treason, that to reduce hours is the quickest and most obvious way to increase employment. Over and above these fundamental causes any one of 50 reasons may be adduced for the unrest. Not a few experienced persons would attribute the trouble to the reaction from war-strain and war conditions. Others would take the view that war experience has taught the rank and file that the strike is the one unfailing and successful weapon, and others no doubt will cry Bolshevism, a word which, like charity, conceals a great deal of confused thinking.

From the national point of view we think that whatever the causes, the point of fundamental importance is that we shouldn't lose our heads. It is almost a tragedy that the newspaper posters should burst into clamant life at this moment, giving the strike leaders exactly the publicity on which they subsist and thrive. It has been a commonplace of shop-steward strategy throughout the war to multiply the strikers by ten in order to intimidate both the loyalists and the public. The Press, by proclaiming utterly false figures, is playing right into the hands of the disturbing element. We can imagine lean committees flaming into sudden glory and achieving unexpected followings as a result of the appearance of their photographs in the illustrated papers. The names of leaders of a disaffected handful find their way into headlines, and a man who went to bed as a poor workman dismissed for bad time-keeping awakes to find himself simultaneously famous and infamous.

Let us therefore begin by assuring ourselves that the British workman has not suddenly converted himself into a Gadarene swine with the suicidal tendencies associated with these picturesque beasts. Let us hold firmly to the belief that the men who helped to win the war don't really mean to lose the peace, and in the light of that belief let us examine the situation. For, if we admit as much as this, we are entitled to admit that the outlook, if not alarming, is serious. The period of reconstruction is of all times the one when sanity and a resolute national temper are required. If only for this reason the constant interruptions of work would be distressing. But what is far more distressing is the growing belief in labour circles, first that force alone counts, and secondly that no other class than their own exists. "L'état" they cry, or would cry if they knew French, "c'est nous." As a matter of fact the State is a little more than labour, and it is very necessary that this fact should be driven home. The question before us is, how can this be accomplished?

The one menacing feature in the situation is the temporary defeat of the established Trade Union leaders by the rank and file. Practically all the strikes in existence are "unauthorised" strikes. Now we derive no comfort from this fact. On the contrary it indicates, what was becoming increasingly obvious during the war, that the older leaders have lost grip. It seems to us that they are rather in the position of the pre-election Parliament, hopelessly out of touch with their constituents. The result is that with the brilliant exception of Mr. J. H. Thomas, they are only too often unwilling or unable to face the storm. It is

clear that the vital point in the next few months in the labour world will be whether the old leaders can regain their sway. We do not presume to offer them advice in the management of their own affairs. It does seem to us, however, that the true solution is to harness the shop-stewards effectively to the regular Trade Union organization. A sort of loose connection exists in a number of cases, but what is required is that the shop-stewards should both be recognised as and accept the position of regular Trade Union officials. With this should go a strengthening of the hands of the Central Executive, which in the case of too many Unions has only one weapon, the right to refuse strike pay, and is too often afraid to use it.

We believe that this measure and a rapid progress with Whitley Councils may go some way to help. If there is to be peace, bargains must be respected. If agreements are to be repudiated, whenever the workers dislike them, no employers will enter into them, and we shall have an acute state of class warfare, the end of which is difficult to foresee. It is only by insisting on constant meetings of employers and employed in council and by providing for a division of responsibility that we can hope for the creation of a reasonable spirit on the side of the employed.

When all this is said there remains the spectre of Bolshevism "red in tooth and claw." We are not afraid of the brute, but we shan't entirely get rid of him by not believing in or forgetting him. This is a method adopted by debtors, but the County Court Judge has a word to say. The State is the Judge here, and the State must take the powers of the Judge. The inanities of War Acts are gone: Dora is dead and damned: the Trades Disputes Act rules triumphant. It should not pass the wit of the Government to discover a means by which Trade Union funds should become amenable in cases where strikes were a national danger. Nor should it pass their wit to devise penalties to meet and overwhelm the recalcitrant employer equally with the terrorising workmen. The nation is not afraid of Leninism, but we are afraid of what measures the nation may take to defeat its apostles if the Government does not anticipate the necessity.

## THE GERMAN ELECTIONS.

THE result of the German Elections has been highly interesting. At the recent British Elections the voters were quite indifferent. They were perfectly satisfied with their Government. So only about one-half of them condescended to go to the poll. In Germany, on the other hand, there seems to have been a veritable election fever. We have been told that the polling booths were overcrowded, that there were long queues of would-be electors who waited as anxiously and as patiently outside in the cold and the rain as if they were distributing butter inside. Perhaps the German people vaguely felt that the government of their country had at last been entrusted to them. So they meant to take part in the government as far as they were able. It seems that approximately ninety per cent. of the electorate voted.

Before the elections it was widely believed in Germany and abroad that the Socialists would sweep the country. Therefore the Socialists had provisionally seized the Government, and the moderate people, but not the extremists, had acquiesced. However, the Majority and the Minority Socialists combined have obtained only forty-five per cent. of the votes. The non-Socialist parties have obtained fifty-five per cent. and are therefore in a distinct majority. The elections have been a severe blow to the German Socialists. The moderate and conservative middle-class have won, and their victory is far greater than appears from the election figures.

The German Social-Democratic Party has grown from insignificance to greatness in the following surprising manner since the creation of the German Empire:—



## Social Democratic Votes Polled.

1871	...	...	101,927
1874	...	...	351,070
1877	...	...	493,447
1878	...	...	437,158
1881	...	...	311,901
1884	...	...	549,990
1887	...	...	763,128
1890	...	...	1,427,098
1893	...	...	1,786,738
1898	...	...	2,107,076
1903	...	...	3,010,771
1907	...	...	3,259,020
1912	...	...	4,250,328
1918 (men and women)	...	...	13,298,755

Except for the severe set-back after the election of 1877, owing to Bismarck's policy of ruthless persecution, the German Socialist Party has grown continually and extremely rapidly, and its growth has been particularly startling since the accession of William II. In 1887, the year preceding the Emperor's coronation, only 10.11 per cent. of the votes were given to Social-Democratic candidates, but in 1912 they secured no less than 34.82 per cent. The Germans voted Socialist, not because they were convinced Socialists, but merely because they wished to protest against the arbitrary rule of the Emperor and the Government. Of the 4,000,000 people who voted Socialist only about 700,000, or one-sixth, actually subscribed to the Socialist Party.

Before the war there were nominally in Germany about a dozen parties. In reality there were only two; the ins and the outs, the Government Party and the anti-Government party. The various Conservative, Clerical and Liberal Parties were all pro-Government Parties which hoped to obtain something from the Government by a very unreal opposition, by trafficking with their votes in the most shameless manner. The only party of opposition was the Social Democratic Party, because it was the only party which voted for the restriction of the Emperor's power, for a democratic reform of the German Constitution, and against every Budget, and against aggressive militarism, navalism and colonialism. Many well-to-do men belonging to the middle and upper class, such as bankers, merchants, brokers, professors, school teachers, clerical men, government officials, etc., voted Socialist in order to manifest their dissatisfaction with the absolute Government.

The elections have shown that the majority of Germans favour a policy of moderation and conservatism, that they favour a middle-class policy. That is not surprising to all who are acquainted with economic conditions in Germany. It was folly to believe that Germany stood in danger of becoming a prey to predatory Bolshevism. Bolshevism is possible only in a country where the masses have nothing to lose. It is impossible in a country in which property is as widely distributed as it is in Germany.

While in Russia the masses of the people, and especially the majority of the inhabitants of the towns, are wretchedly poor, the German masses are exceedingly opulent. Approximately ninety per cent. of the German farmers and peasants, who number millions, are the owners of freehold land and houses. German agriculture is carried on on the broadest freehold basis and the indebtedness of the farmers and peasants is small. The townspeople also are owners of considerable property. The small houses in the towns are, as a rule, owned by their occupiers. The vast majority of tradesmen and small business men possess the premises on which they live and work. The spirit of economy is as highly developed in Germany as it is in France. Nearly every workman and every servant-girl have a substantial amount in the savings banks. Before the outbreak of the war, the German Savings Banks contained more than £1,000,000,000, while the deposits in the British Savings Banks came only to one-fourth of that sum. In addition, hundreds of millions of pounds belonging to working men were put into the gigantic co-operative societies, or were invested in small bonds thoughtfully provided by a paternal Government.

The two wings of the German Socialist Party received 45 per cent. of the votes polled. However, if

the electors had approached the urns with a perfectly unprejudiced mind, the Socialists would probably have received much less than 45 per cent. of the votes recorded. Obedience to authority has been bred in the bone of the German people. Ever since the time when the Germans were allowed to vote they were exhorted by their leaders to vote for the Government-supporting Parties, for the existing authorities. In November, 1918, the Social-Democrats seized power, the Social-Democratic Party became the Government Party, and the *Vorwaerts* became the Government organ. It was therefore only natural that hundreds of thousands, perhaps millions, of well-drilled Germans voted Socialist because the Socialist Party had become the Government Party.

Before the war the anti-Government Party was rapidly growing in strength. If we compare the result of the General Election of 1907 with that of the General Election of 1912, we find that the four Conservative Parties lost 188,344 votes, that the National-Liberal Party, which was a Conservative Party in disguise, remained practically stationary, and that the Radical Party and the Social-Democratic Party combined gained 1,351,275 votes. Before the war the German people had manifested as plainly as possible at the polling booths that they were dissatisfied with their Government and its policy, and the German revolution and the result of the present election are the logical sequel of pre-war political development in the country. The election has not led to the triumph of "the party of subversion," as Bismarck habitually called the Social-Democratic Party, but to the triumph of Liberalism, of sane and sensible middle-class sentiment. Property is too well and too widely distributed in Germany to allow a real party of subversion to seize power and to retain it. That is the important lesson of the election.

## BOHEMIA AND POLAND.

"*LES petites dettes sont criardes*," and small nations are no less noisy in the revendication of all their rights. Bohemia and Poland, however, are perfectly justified in complaining about the unconscionable delays which the cumbrous Peace Conference interposes. It is all very well to warn Poland not to jump her just claims; to bid Bohemia wait and see what a League of Nations may eventually prescribe for her ills. But Poland was a hotbed of Russian and German intrigues, while Bohemia endures miseries surpassing any known throughout her troubled history.

During her subjection to Austria, she has been the most industrious and naturally best endowed province of the Empire, as well as the most highly educated. She produced 77 per cent. of the grain, 93 per cent. of the sugar, 60 per cent. of the iron, 83 per cent. of the coal and most of the hops of the Austrian Empire. Despite every discouragement from her taskmasters, she maintained her own schools so efficiently, chiefly by private contributions, that she now has but 1½ per cent. of illiterates as against 7 per cent. in German-Austria and 56 per cent. in Hungary. The equal opportunities offered to all her citizens are illustrated by the fact that Mr. Masaryk, the distinguished President of her new Republic, was the son of a coachman. She claims to be the most highly civilised and advanced of all the Slav nations, and admits few rivals in literature or music. It may be retorted that the Finns are also extravagantly educated and have proved themselves failures in practical life, but the Bohemians have also excelled as warriors, and the eventual regeneration of Russia must be mainly ascribed to the prowess of the Czecho-Slovak prisoners in Siberia. Is it not a monstrous grievance that, while Vienna is receiving lavish supplies of food from her recent enemies, such gallant Allies as Bohemia and Montenegro should be cynically left to starve?

Mr. Nosck, in his lucid little monograph,\* makes the somewhat unfortunate remark that "Bohemia has not, like Poland, been devastated during this war," but, as a matter of fact, that most productive region of

\* "Independent Bohemia." By Vladimir Nosek. Dent. 3s. 6d. net.

the Empire was completely laid waste. Even Belgium was not more mercilessly denuded. All her coal, iron, corn and cloth were commandeered by Austria and Hungary, so that she has had to close her factories; rations are reduced to scraps of black bread and rare vegetables, and new-born babies are wrapped in paper, because linen has ceased to exist. And there is no sign of any attempt at relief. Mr. Masaryk suggests a daily aeroplane service between Strasburg and Prague, but so far the simpler communications of railways, posts and telegraphs remain at a standstill. The national leaders still express gratitude for their prompt recognition by Great Britain, but the people may be excused qualms over our practical ingratitude for the signal services Bohemia has rendered to the common cause. Such qualms, especially when stimulated by hunger, cannot fail to stimulate Bolshevism, which, like other plagues, is no respecter of nations, whether educated or illiterate, and there have already been ominous signs of unrest, culminating in attempts at assassination.

When immediate troubles have been overcome, Bohemia has, however, every prospect of prosperity. The character of her people and the great natural resources require only peace and independence for their development. There will, of course, remain a German problem, seeing that Germans amount to two-fifths of the population. President Masaryk has promised them complete equality, and no doubt they will be allowed to enjoy it, so long as they behave themselves. But if they revert to their old arrogance and intrigue, they may have to be peacefully persuaded to emigrate, like their brethren in Alsace-Lorraine. After all, they cannot complain if mercy is accompanied by justice, for they were merciless during centuries when the reins and whips were in their hands; moreover, their numbers are largely due to deliberately organised immigration for the consolidation of power. They must submit to the Bohemian majority, even as the Bohemians submitted to the German minority.

The relations of Bohemia with her neighbours require prudence rather than anxiety. The Polish frontier, with a rich district in debate, may exercise wiseacres at the Congress for some considerable time, but a traditional friendship exists to pave the way to a settlement, and both parties recognise the necessity of a united front against German encroachments. Besides the sentiments aroused by kinship, similarity of language and a certain community of history, there are material interests to bring Bohemia and Poland together. Poland can supply oil and salt, which are among the few necessities lacked by Bohemia, and Dantzig as a Polish port will serve as an outlet to Europe for a friendly neighbour, while the restoration of Bohemian mines and agriculture will minister to the needs of Polish trade and industries. In the same way, the absorption of Slovakia will bring Bohemia to the borders of greater Roumania with advantage to their economic future. The Slovaks are a backward race, who have accepted servitude for centuries at the hands of harsh Hungarian oppressors, but their creative capacity may be developed gradually by sympathy and intelligent rule. Whether they will be allowed to have Pressburg remains to be seen. It has hitherto been the frontier town of Hungary and is mainly populated by Germans and Jews. But the neighbouring villagers are all Slovaks and need it as a market; moreover, the Czecho-Slovak Republic needs it as a port on the Danube; and most political philosophers are now agreed that mere nationalism is not the only consideration in delimitating states.

The paramount point is that both Bohemia and Poland must be strong states, capable of holding their own against Germany, who has not yet been crushed and shows every design of attempting to raise her head once more. Bohemia can provide a natural base for the Eastern policy of the Allies, and, when contentious with Poland, will extend the solid buffer which is to impede Germany's ambitious pressure towards Russia and Austria. In the case of Poland, again, nationalist dogmas must give way to national necessities and common sense. Dantzig is doubtless German, if we count the noses of the inhabitants, but

Dantzig has been Polish and must be so again, not merely because the prosperity of Poland depends absolutely on an outlet to the Baltic, but also because Germany cannot be trusted to keep contact with Russia. Similarly, Silesia is Polish, quite apart from racial considerations and a natural desire for Silesian coalfields. Vilna, being Polish, desires to embrace country districts with a Ruthenian majority and this is just the opposite of Slovak claims upon Pressburg—but *væ victis!*

Here we would enter a protest against the counsels of certain philosophers, well-intentioned perhaps, but certainly unwise in the *New Europe*, who reveal a strange atavistic sympathy with Austria and new menaces of militarism. Mr. A. F. Whyte, for instance, a very prolific preacher, talks of "an escapade from Warsaw" and "the inopportune excursion of Mr. Paderewski and his Polish forces into German Poland," and he doubts, with regard to Bohemians, whether "years of subjection spent in intrigue and revolt against the alien rule of such a master as the Hapsburg dynasty are the best preparation for the exercise of that large-minded tolerance which must guide the Statesmen of Central Europe in the hour of their liberation." This sort of patience, this interminable waiting upon the whims of distant arbitrators, this Christian forgiveness of unspeakable Germans and all their ruthless atrocities can only serve to dishearten our friends and encourage our foes to rely upon our weakness.

The present governments both of Poland and Bohemia are still very young. Their foundation rests largely upon the wisdom and energy displayed by national committees, acting at first unofficially and then receiving well-merited recognition from our Government. They have obtained surprisingly quick endorsement from their peoples, but their paths are beset with difficulties and this is no moment to pour cold water upon their enthusiasms. Poland, as well as Bohemia, has the makings of Tory Democracy in a popular and enlightened aristocracy capable of working in harmony with a patriotic people, but there were at one time signs of a possible conflict between monarchists and republicans, order and licence. Now, however, all parties appear to have rallied round Mr. Paderewski, whom the world seemed to mistrust for a while because he happened to be a great musician as well as a statesman and orator of the first rank. He and Mr. Masaryk are probably destined to loom large in the history of the new Europe, which shows every sign of being very different from the old. Unlike Mr. Pashitch and Mr. Trumbitch and the statesmen of Bulgaria, they have had no axes to grind, no aspirations towards rough imitations of Prussian militarism. They reflect and interpret the desires of their compatriots for a place in the sunshine of their own lands, now that the clouds of alien tyranny have been dispelled. It is for such people as theirs, no less than for ourselves and our Allies, that we warred and sacrificed. Let us not neglect or impede them now in the hour of victory, when they still need our support.

#### PARIS DURING THE CONFERENCE.

(FROM A CORRESPONDENT).

PEOPLE is Paris who read the London papers, especially people who live in a large hotel near the Etoile where English is spoken all day long and Scotland Yard stands sentinel beside the most indefatigably revolving door in Europe, are surprised to learn that Paris to-day is a city of pleasure; that festivities are continuous; and that all the nations of the world are picnicking in the Champs Elysées. So far as one can gather from the English press the most noticeable feature of the Peace Conference is the presence in Paris of bevy of young English women, extravagantly attired (out of the proceeds of a £5 outfit allowance!), who spend their time hunting about the City in couples, or in teaching members of the British Delegation the latest glide from Boston. Forty-eight hours' residence should be enough to satisfy even those who usually see only what they expect to see that London has been wrongly informed. People coming



to Paris for playful purposes will have the disappointment of their lives and will arrange as rapidly as possible for their return to a brighter place.

Picnicking there is, but it is a picnicking which involves work during meals, work before breakfast and work after dinner. Lunch is in the nature of a committee, and at dinner agenda are taken between the courses. Proceeding to the lounge for coffee, we are mocked with a misnomer. Nobody has ever been seen to lounge within half a mile of the Avenue Kléber.

These conditions are quite natural in the circumstances. A tremendous amount of work has to be done, involving continual discussion; and it all has to be done with the minimum of personnel, at the shortest notice, and through an organisation hastily got together and brought bodily over from London. Lord Northcliffe, we believe, rehearsed the *Daily Mail*, a comparatively simple organisation, for a month before he issued his first copy to the public. The British Delegation at Paris has had no opportunities of rehearsal.

You will be wondering what has become of the "dancing and delight" which have made all London envious of the happy lot of the Majesticals. Is it, then, not true that Mr. Balfour and Mr. Lloyd George have smiled upon the pleasures of the junior staff, and that Mr. Lloyd George even clapped his hands? It is precisely here that the Draconian severity of the life of the British Delegation in Paris can be most signally illustrated. It happens that at the end of a long day's work, some of the younger members would like to forget their uncomfortable offices. The day's work, for them, is finished, and they do not want to spend their brief hours of leisure in remembering that the next day's work will soon begin. It happens that there is a room in our hotel where people may be merry without disturbing the grave deliberations of the lounge and its adjacent alcoves. Thither the ladies occasionally retire soon after dinner; but alas! the British Delegation is a stubborn generation. They pipe unto it, but it will not dance. There are too many notes to compare, too many useful people to be approached, too many suggestions to ventilate, too much (or too little) progress to be reported. Some of the ladies do not altogether understand. Is not the day's work finished? They have come to suspect that most of the male members of the Delegation are concealing an inability to dance at all. There was recently an announcement to the effect that they were willing to teach any of the delegates who lacked the necessary accomplishment.

But Paris, it will be urged, is not the Champs Elysées, even though there be a Peace Conference. Has it not been credibly reported that Paris is thronged with distinguished people, that Paris glitters upon the moonlight, that the joy of victory has marked Paris for her own? Is it not a fact that at the opera a decree has just gone forth that, as in the days before the war, a *toune de soirée* shall henceforth be *de rigueur*? That must be admitted, but it may also be mentioned that in celebrating the first night of the *toune de soirée* at the opera the French critics especially commented on the fact that the gay vesture of pre-war days sat baggily upon many of the wearers, most of whom had, in all probability, dined inadequately for months at thirty francs a head. The general idea of Paris as a city of unbridled gaiety can be dissipated in a sentence for those who know anything of Parisian customs. It only needs to be recorded that one is turned out of the cafés on the Boulevard "Mich" at 9.30, and that you may walk home in the dark without meeting a soul. Paris, it is true, is full; but it is not crowded. It is simply a question of finding "sleeping" and office accommodation for people with work to do. You may spend six days in Paris, go everywhere, and never be in a crowd.

London, after all, is a much better way of enjoying life than Paris. London is to-day a mere caravan of demobilising and home-coming folk—free, for a while, to enjoy themselves. All the burdens of the world have been removed to Paris, and every new visitor increases the gravity of our days. The Parisian atmosphere is an atmosphere of problems and

affairs—with Racine and the opera, very seldom, for a relaxation. As a background to the life of the visitors is a Paris darkened and subdued, with prices twice or three times as high as in London, and black the prevailing colour.

One's total impression is that some day it may be quite pleasant to look back upon these months in Paris. For the moment we are conscious of all the disadvantages attending a sedentary life unaccompanied by any of the comfort and serenity usually associated with such a mode of existence. The chairs of the Delegation are not easy chairs. We also suffer all the disadvantages of hotel accommodation without any of the pleasures of travelling. But there are compensations. Chief among them is the aspect of the most extraordinary gathering in the history of civilisation, a gathering presenting in little all the features of the new diplomacy. What more eloquent testimony to the advance of democratic principles could be offered than the spectacle of our British Delegation dining without distinction of class, taste, merit, or opulence, according to the official coupon which makes the whole world kin? We are, when time allows, devoured with curiosity to know what exactly occurs in the heart of the young stenographer, beating surely a little faster than usual beneath her outfit allowance, when she becomes suddenly aware that a distinguished personage is her near neighbour, that he is drinking the same soup as she, and is nourished by the same sardine. One must leave these things to the young novelists of the Delegation. They are doubtless recording their impressions.

#### KELTIC KULTUR.

Our Oirish Republic in Parliament met—

All the choice of the country came there.

Ye nivver beheld such an illigant set

When Sir Brian Borohme took the chair.

#### CHORUS.

Sing: Up, de Valéra; up Markievicz true!

Up, Wilhelm!—good Oirish names these;

Up, Treason; up, Trotsky! an' down the ould crew

Of the false Constitutional wheeze.

The M.P.'s screamed in Erse all its words that are known—

As "Be Jabers," an' "Erin-go-Bragh,"

"Cead Millé Faille," "Uber Alles," "Ochone,"

"Strafe Sassenach," "Hoch, Hoch," an'

"Houp Là."

Shure, Erse is the finest of all the world's tongues

To express what ye can't understand—

To shout your own name in't must massage your lungs—

Ach! 'tis musical, maddenin', an' grand.

We elected our Spaker—I can't give his name—

It was Smith—to translate it to Erse

Will take us a month; then 'twill mean just the same,

But make two Alexandrines in verse.

For our Foreign Affairs we selected a man  
Who but Oirish has spoke from his birth;

An Ambassador chose to Andorra—we plan  
To send one to each village on earth.

We keep the ould Army—they're Britishers all;

Though each Corps bears its bould Oirish name;

If fighting for Oireland, or Britain, they fall,  
Safe our skins are, our profit the same.

Who the piper will pay, should you heedlessly ask;

Why, the British—ye donkey—Begorra!

They nivver yet failed in their self-imposed task;

An' such fools won't be wiser to-morrow.

#### CHORUS.

Then up, de Valéra! up, Brian Borohme!

Up, Deutschland; an' lovely Sinn Fein!

Up Bolshevik! houghing! an' Hulla-Balloo!

Ould Oireland's a nation again—

Hooroosh! A civilised people again!

## CORRESPONDENCE

## THE C.O. AND DEMOBILISATION.

To the Editor of THE SATURDAY REVIEW.

SIR,—With all deference, I cannot agree with your paragraph on the soldiers and your article "The C.O. and the Cabinet," in the SATURDAY REVIEW of the 11th January.

How can a C.O. allow his Pay-Sergeant or Quartermaster-Sergeant to leave until the very numerous accounts and ledgers are closed or their duties handed over to someone who can be relied on to remain until the unit is finally extinguished?

The truth is the civilian—the business man, the lawyer, the journalist—looks on the Army as a sort of game that can be dropped; he never realises that the supplies of equipment, necessities, clothing to be issued and withdrawn, the barracks, camps, billets to be occupied and evacuated, involve a tremendous responsibility, a complex organisation, a knowledge of administration and interior economy on the part of every C.O.

You might as well call the steersman away from the wheel when a ship is in a storm, because you want him to do some other duty. If a Pay-Sergeant, or Quartermaster-Sergeant, or store man were withdrawn from a company or battery, until he had handed it over, it would produce chaos and bring trouble on innumerable innocent heads, and loss of huge sums of money.

It was notorious, during the war, that the business man who became a battery commander always got his books and accounts in such fearful disorder—I suppose because he refused to take battery ledgers and accounts seriously—that hours, even days, had to be spent in disentangling the muddle; Regulars or ex-Regulars had to be called in to form Boards to put things straight; yet the errors had only arisen by want of system, bad book-keeping, unbusinesslike methods.

The ordinary civilian, in aggravating fashion, always looks patronisingly on an Army officer as a poor sort of worker, a bit of a fool, only fit to look pretty and enjoy life! I once heard a banker say to an officer, who left the Army to take up a job in a business house, "Now, my lad, you are going to start real work, you must forget the gay life you have been spending!"

Now, I have been in the Army and I have seen something of stock-broking, journalism, and the law, and I consider that an Army officer works far harder than the average man in any civil profession; he is always working an hour or two in the morning while the business man is abed.

Again, when I was a lad, in the 'eighties, all the best brains in the school went into the Army; it was the young men who failed for Woolwich or Sandhurst who went into the Civil Service, Oxford or Cambridge, or the hospitals.

While I was at Woolwich, an examination was opened to cadets at Woolwich or undergraduates of Oxford or Cambridge; out of the first six places, five were filled by Woolwich cadets. All my school contemporaries whom I knew in civil life, in banks, business, at the Bar, on the stage, on the Press, are all men who failed for the Army in the early 'eighties.

Yours faithfully,

MAJOR, R.A.

## GREAT BRITAIN AND HOLLAND.

To the Editor of THE SATURDAY REVIEW.

SIR,—Your correspondent, "H. Dunlop," defining Holland's demeanour during the war, in your last week's issue says that "if we (the Dutch) had followed our inclinations we would, in the autumn of 1914, gladly have joined the Allies."

This statement calls for correction. Admittedly the Dutch are largely pro-Allies in sentiment, but sentiment of that nature is treated by the Dutchman as a

kind of hobby entirely subservient to the claims of money making. How little check this pro-Allies sentiment has been on the actions of the Dutch during the war is evidenced by the very large profits which they have made in providing Germany with quantities of rubber, cotton, metals, cement, chemicals, livestock, foodstuffs, and other invaluable supplies.

Whatever their alleged inclinations may have been, the Dutch have stripped their country and beggared their ingenuity to provide Germany with food and raw materials. They have released interned German warships under flimsy excuses after repairing them in Dutch ports. They have assisted the transit of millions of tons of sand and gravel for use in the making of German concrete defences and other military works. They have helped in the despoliation of Belgium by allowing plundered metal to pass through Holland to German munition factories, and more recently they have sheltered the ex-Kaiser and facilitated the German retreat from Belgium by passing German troops across Limburg. It cannot be claimed that all these things were done under the menace of invasion. Germany would have gained little and lost much by closing so valuable a channel of supplies and intelligence.

The present unpopularity of the Dutch is due to the way in which they have succumbed to the greed of gain, in the face of their professions of sympathy with the cause of the Allies—the cause of all humanity—which they knowingly and deliberately jeopardised.

Yours faithfully,

M.A.M.D.

Liverpool,

23rd January, 1919.

## UNFIT FOR SELF-GOVERNMENT.

To the Editor of THE SATURDAY REVIEW.

SIR,—You say that the Irish are not fit for self-government, by which you surely mean that you are an anti-Democrat and a Bolshevik. Please remember that Bolshevism is the natural outcome of Autocracy. In your heart you do not think the English fit for self-government. You would like our country to be governed by some dozen men selected by yourself, and if I may judge by some of your articles, the present Prime Minister would not be included in the dozen. I, on the other hand, am with President Wilson, and believe that each small nation must decide by a majority of its representatives how it shall be governed.

I attach the same importance to your correspondent "An Irishman," who wishes to hang Mr. de Valera, the chosen Prime Minister of the Irish race, as I do to Mr. Stuart Chamberlayne, the renegade Englishman who sold himself to the German enemy. Mr. Chamberlayne no doubt would like to hang some of his fellow-Englishmen. Seriously, this is an Imperial question, and I, as an English Imperialist, implore you and all the extreme anti-Irish section of my race to reconsider their position. You have 200,000 armed troops in Ireland, you have machine guns and aeroplanes. You can make a magnificent slaughter; you can make a desert of Ireland and call it peace. But you cannot crush the Irish race. Many millions of Irishmen in America, Australia, and South Africa will make themselves heard. Consider in time.

Yours, &amp;c.,

CLEMENT SHORTER.

7, Arlington Street, W.

## WHY SHIELD MR. LLOYD GEORGE?

To the Editor of THE SATURDAY REVIEW.

SIR,—One cannot help feeling astonished that THE SATURDAY REVIEW should be found saddling Mr. Balfour with responsibility for the revolting suggestion that Russian Bolsheviks should be admitted to the Peace Conference.

As a diligent newspaper reader and student of current politics I am inclined to think that not another journal throughout England could be found labouring under any mistake as to the origin of the suggestion.



But if any doubt on the point ever did exist it was effectually and finally disposed of by Reuter's Agency this (Tuesday) evening in the following communiqué to the Press:—

*"Mr. Lloyd George's View."*

"Reuter's Agency learns, with reference to a misunderstanding that seems to have arisen concerning the attitude of Mr. Lloyd George in regard to Russia, that it should be pointed out that the Prime Minister's suggestion has not been that Lenin and Trotsky should be invited to sit at the Peace Conference as representatives of Russia, but, in order that the associated Governments in Paris might have the fullest and most reliable information concerning the position in that country, representatives of all sections of Russian public opinion should go to Paris in order to express their views."

And why should Mr. Lloyd George's sympathetic attitude towards Bolshevism occasion surprise? Did not His Majesty the King, upon the advice of Mr. Lloyd George, telegraph his congratulations to "free Russia" upon the dethronement of the Czar; did not Mr. Lloyd George in the name of the House of Commons, send a message of congratulation to Kerensky, the author of Russia's downfall; did not Mr. Lloyd George tell us that he saw in all this evidence of "the practical wisdom of the Russian people"; did Mr. Lloyd George or his House of Commons ever express one word in condemnation of the atrocious murders of our loyal and illustrious Ally, Nicholas II.—"the man who saved England," if ever any man did?

There is no need for me to express my personal opinion upon the relative merits of a Benevolent Monarchy and a Bolshevik Autocracy; but of Mr. Lloyd George's leanings there is no room for doubt.

Nor should his Conservative Coalitionists in the new Parliament be under any misapprehension as to what is expected of them, unless he is to go to the Electors for the new "mandate" with which he has already threatened them.

Cannot Mr. Lloyd George find sufficient scope for his activities on Labour disputes, Social Reform, Demobilisation questions, Reconstruction and so forth without wasting time on an army of political chatter-boxes representing "all sections of the Russian public?"

Why not, if he has so much leisure, give a thought to the establishment of Peace with Germany?

I am,

Yours faithfully,

HERBERT ALLEN.

31, Budge Row, London, E.C.

## WAGES AND PRICES.

To the Editor of THE SATURDAY REVIEW.

SIR,—The opinion of a working man on the above may differ from yours as expressed.

Referring to the miner, you state, in discussing the price of coal, that it never occurs to him that the increase comes back to him in the form of dearer clothes, etc. The miner knows perfectly well such is the case. What bothers the miner is why he should have to pay more.

The miner knows the output of the mine and the profit of the sales. He also knows that, if the coal owners pay him just enough to exist on and they can live in luxury and amass wealth, he is being exploited. Then, if he gets an advance in wages as a result of his demand for a fair share of the profit of his labour and the coal owners raise the price, they are exploiting the public. You cannot blame the miner, who, in my opinion (being among them every day), should work shorter hours and be better paid than any class of worker.

Intelligent working men know that employers of all kinds who make fortunes have not been giving value for value; that is the trouble. If private enterprise means exploitation, away with it.

Perhaps the general public have forgotten the miners' strike before the war, when thousands of pounds were lost in wages, and the misery and hardship of the

poorer classes in consequence. The coal owners let the men strike for a paltry shilling or so. Then, when the war came, they could encourage the men to go and fight for their country, pay their wives six to ten shillings a week, with free rent and coal.

The miners, and, in fact, all workers, know that the wealth of the country, produced by labour of the many, is in possession of the few, and, as has been stated, is the greatest danger to the country.

FREE LANCE.

Gateshead, 27th January, 1919.

## PROPOSED RAID ON THE PUBLIC PURSE.

To the Editor of THE SATURDAY REVIEW.

SIR,—A determined effort is being made to familiarise the public with the idea that medical education should properly be subsidised out of public funds.

Letters to *The Times* and inspired articles have been appearing recently with this object.

In the good old times before Sir Edward Fry's Commission and before the exposure of the scandal, the medical schools resorted to the simple device of conveying large sums down the passage into the schools from the coffers of the hospitals, with the connivance of complacent hospital managers. Sometimes the money was simply and boldly transferred from the general funds of the hospital to the medical school; and as nobody ever troubled to examine the accounts of the hospital, the transaction remained unsuspected by the public.

All the while thousands of pounds—ten, twenty, thirty thousand—had in some instances thus been diverted from the tending of the sick poor to the education of students.

Sometimes, as at the London Hospital, the diversions took the form of simple grants of thousands of pounds, sometimes, as at the Middlesex, the transaction was "camouflaged," if I may use the new word, as a loan, which was never expected to be repaid, has never been repaid, on which even interest has long ceased to be paid, and which has finally been dexterously obliterated from the accounts by an amalgamation of the hospital and school. Since Sir Edward Fry's Commission it has naturally been found more and more difficult to "convey" large sums of money from the service of the poor in the hospitals to the subsidising of the medical schools. Though great pains are taken to keep the finances of the hospitals from the eye of the general public, the Council of King Edward's Hospital Fund, with the report of Sir Edward Fry's Commission set up by themselves before them, are obliged to prevent any flagrant breach of the recommendations it contained.

So now we are going to see a bold effort initiated to get medical education subsidised out of the public funds.

Simple people who know nothing of medical schools and hospitals may innocently wonder why in the world the young gentlemen in the former should not have their education paid for by their parents, like other young men. I propose to explain the matter to them.

The medical schools are private financial adventures, the teachers and proprietors build up from them subsequent consulting practice whose financial value is in direct proportion to the number of the pupils they instruct, for every pupil may safely be relied upon, when he becomes a practitioner, to call in his former teacher when a patient desires a consultation. Therefore the greater the number of pupils, the greater the subsequent consulting practice of the teachers.

The teachers and managers, therefore, of every medical school in London endeavour to draw to their school the largest number of pupils, and they find that the surest way to do it is to lower the fees for the pupils to a figure that cannot defray the actual costs. Formerly they recouped the school coffers from those of the contiguous hospital. That source being of late much curtailed by the efforts of those who care more for the poor than for the professors, the latter are now organising a raid on the public purse.

After all, it is better, perhaps, that they should raid the public than the poor; but the best course for them to pursue would be to charge such adequate fees for

the education of medical students as would render the schools independent of doles from anywhere.

It is a contemptible thing for the students of any honourable profession to begin their career on the charity of the public.

Your obedient servant,  
STEPHEN COLERIDGE.

29, Victoria Street, Westminster, S.W.

[It does not seem to occur to Mr. Coleridge that if the sick poor are to be tended there must be duly qualified doctors to do so. The education of medical students out of public funds appears to us much more legitimate and necessary than the education of the children of the working classes, who can well afford to pay their own school bills.—ED. S.R.]

#### FOUL COLLIERS!

To the Editor of THE SATURDAY REVIEW.

SIR,—It appears that the getters of coal have been more or less at war with society for the last three centuries. For in reading 'Twelfth Night' the other day I found that Sir Toby Belch says angrily of Malvolio, "Hang him, foul collier!" And Steevens tells me, in an erudite note, that "Collier was in our author's time a term of the highest reproach. So great were the impositions practised by the vendors of coals, that R. Green, at the conclusion of his *Notable Discovery of Cosenage*, 1592, has published what he calls, *A pleasant Discovery of the Cosenage of Colliers*." Johnson, who lumburs after Steevens with amusing pertinacity, tells us "The Devil is called Collier for his blackness: *Like will to like, quoth the Devil to the Collier*."

Yours faithfully,  
POOR TOM'S A COLD.

#### "THE TRAGEDY OF QUEBEC."

To the Editor of THE SATURDAY REVIEW.

SIR,—Dr. Francis Grey tells us that there is a book ('The Clash,' by Mr. W. H. Moore) which furnishes a "complete and irrefutable rejoinder" to the charges made against the Quebec Church. Since, however, the publishers assure me that the book is unprocurable in England, British critics must be allowed the privilege of declining to accept Mr. Grey's very confident statement, at least until they are given a chance of testing it. I gather (from a review of 'The Clash' in the current *Spectator*) that Mr. Moore's main complaint is that no subject is allowed to be taught in French in any provincial school of Ontario, but I cannot admit the grievance to be a valid one. The public education of a people is always carried on in the language of the country, and it happens that the language of Ontario is English. Why should English-speaking men and women of Protestant provinces, forming a very large majority of the population, be asked to subsidize teaching, given in a foreign tongue, of doctrines which they do not approve? We are not expected to provide, out of communal funds, instruction in the Russian language for Russians resident in England, in order to further the interests of a foreign Church. It must be remembered, also, that every State has the right to defend itself against open or overt enemies, and the constant meddling and outrageous pretensions of Canadian Ultramontanians afford ample justification for protective measures. The Quebec Church, using (as you point out) the booby of danger to language and racial customs, is trying might and main to thrust sectarianism into the denominational system prevalent in the Protestant Provinces; and this the Canadian Government will, if it is wise, resist tooth and nail.

The charges which Papal Canadians have to meet are briefly the following:—The Church claims divine authority overriding the State, asserting that it is above the State and free from Government control and supervision. It persistently meddles in politics, defying the Legislature and dictating under penalties (the Sacraments have been refused to recalcitrants in certain cases) his voting to the citizen. It tyrannizes over

the intellect, ordains what books and newspapers people are to read, what plays are, or are not, to be performed; forbids men and women to "sell, buy, read, or keep" what it calls "bad" (i.e., anti-Romanist) literature. It trespasses on the domain of the State by levying taxes and enforcing the payment thereof. It sows dissension by making bad blood between creeds and races, and perpetuates sectionalism by promoting social and political severance; it controls education as in a vice, suppresses freedom of speech and even of conscience, fosters ignorance as a buttress to clerical authority, and generally uses its immense privileges in the interests of reaction. Lastly, the Papal ecclesiastics have opposed and hampered the Entente in its battle with absolutism by every means in their power. These charges have certainly never been answered hitherto, and most of the facts are admitted by an impartial French writer, M. André Siegfried. I therefore await with curiosity not unmingled with a pardonable scepticism, the "irrefutable rejoinder" which at present we have no opportunity of reading.

Let me, in conclusion, assure Dr. Grey that I am neither "Toronto" nor "Orange." I am English, and my personal acquaintance with Canada is only that of a visitor, though I am a keen student of Canadian affairs: my "attitude" in this matter is wholly free from partisan, racial, or sectarian bias. I only ask the Papacy to let education go free and untrammelled, to cease cramping men's spiritual and mental faculties, and above all to abstain from undermining the State and making public and private mischief all over the world.

I remain, yours faithfully,  
HUGH E. M. STUTFIELD.

Oxford and Cambridge Club, Pall Mall, S.W. 1.

#### GREECE AS A NATION: ITS PRESENT AND ITS FUTURE.

To the Editor of THE SATURDAY REVIEW.

SIR,—Your comment on Lieut.-Col. F. Lang's letter, which appeared in your issue of the 11th inst., "that if ever there was a fiction of the poet's brain, it is the identification of modern with Ancient Classical Greece," I feel sure, must have come as a surprise to every student of modern Greece who has personally visited and studied the present customs, language and temperament of the modern Greeks.

I maintain that the modern Greek is a faithful type of the ancient Greek, in language, custom, and temperament, due allowance being made, of course, for the natural consequences of evolution which of necessity must have taken place during the last two thousand years, and the effects of five hundred years of Turkish yoke, which the modern Greek is now trying to throw off.

Suppose Socrates, Plato, or Thucydides were to walk to-day in the streets of Athens, their raiment might cause some remarks from the average Athenian, or a suggestion to pay a visit to a neighbouring barber, but they would find no difficulty whatever in conversing with any Greek of Secondary Education, and they would also find their intellectual and social spirit and temperament fully reciprocated, especially by the people living outside the large towns, and even more so by the Islanders.

It is only natural that the large towns throughout the world should possess a certain element of cosmopolitan spirit and attitude, and we are too apt to form our opinions of Hellenism exclusively from the behaviour of the Athenian café frequenters.

I may add that our own Christian Religion, first taught by St. Paul on the Hill of Mars in Athens, is still to-day permeated by ancient Greek traditions and customs, Christianised more or less, the roots of which are so deep in us that the Church has not yet been able to eradicate them.

In conclusion, allow me to quote from a letter of Richard Cobden, written from Smyrna, on April 17th, 1837, and cited in John Morley's *Life of Cobden*: "What a genius, what a taste, had those people. *And mind the genius is there still* (the italics are not mine);



all the best deeds of ancient times will be again rivalled by the Greeks of a future age. Do not believe the lying and slandering accounts which the dullness of some travellers, the envy of Levant merchants, and the Franks of Constantinople utter against the Greek character. The raw material of all that is noble, brilliant, refined and glorious, is still latent in the character of these people. All the East will be Greek, and Constantinople, no matter under what nominal sovereignty it may fall, will by the force of the indomitable genius of the Greeks, become in fact the capital of that people."

Yours faithfully,

G. S. NAXAKIS.

Stoneygate, Broughton Park, Manchester.

[Whom does Mr. Naxakis mean by the "Ancient Greeks"? By the time Juvenal wrote his famous line about "the starveling Greek" (about 70 A.D.) he had already become a byword of venality. The Greeks were only great for about fifty years, in the fifth and fourth centuries B.C. The modern Greeks are quite a different thing.—ED. S. R.]

#### ANCIENT AND MODERN GREEKS.

To the Editor of THE SATURDAY REVIEW.

SIR,—What on earth has Cobden's remark (quoted by Mr. Saxon Mills) that he never met a stupid Greek got to do with the ethnological question whether the modern Greeks are descended from the ancient? The modern Italians are very clever, yet no tolerably informed person supposes that they are the lineal representatives of the Romans of the Augustan age. The disappearance of the ancient Greeks and Romans is one of the mysteries of history. It is remarkable that the modern Greeks have contributed little or nothing to the interpretation and critical enjoyment of Greek classics. I very much doubt whether Æschylus, Sophocles, Euripides, Aristophanes, Herodotus and Thucydides are as much read at Athens to-day as they are at Oxford and Cambridge and in London.

Yours faithfully,

B.A.

P.S.—Was it Bright or Cobden who talked of "the works of Thucydides"?

#### THE RUSSIAN SOUL.

To the Editor of THE SATURDAY REVIEW.

SIR,—When various novelists and journalists are trying to excite a sickly sentimentality about "the dreamy, patient, childlike soul of Russia," the following little fact may be relevant. A Russian lady, of gentle birth, who is connected with a hospital in London, told one of her nurses that all her relatives in the world, every one of them, male and female, had been murdered by their countrymen. God save us from the soul of Russia!

Yours truly,

VERITAS.

#### THE KAISER.

To the Editor of THE SATURDAY REVIEW.

SIR,—May I offer a few remarks as to the Kaiser? Is it not clear that, if the Allied Authorities can secure the person of the Kaiser, they would be justified, as an act of war, in inflicting on him any punishment that they are disposed for any breach he may have committed of any customs of war?

Whether "pour encourager les autres" it may or may not be expedient to inflict such punishment is not a matter on which I am competent to offer an opinion.

There is, however, an obvious complication arising from the fact that his ex-Majesty is now under the protection of a neutral Power. His arrest, therefore, would entail an act of war against Holland.

I am, yours faithfully,

H. C. L.

26th January, 1919.

## REVIEWS

### DISRAELI AS A DUG-OUT.

Tory Democracy. By Henry Bentinck: London. Methuen & Co. 3s. 6d. net.

WE always read the speeches of Lord Henry Bentinck with interest and admiration. They exhibit a purity of purpose, an elevation of sentiment, and (except when the speaker is girding his loins to down a plutocrat or a press lord), a courtesy of tone which are all too rare in these days. And surely if any one is entitled to employ Disraeli as a dug-out in the service of the Tory party, it is a member of that family who enabled the one political genius of the last century to realise himself. Lord George Bentinck made Disraeli the leader of the Tory Protectionists, and together with his brothers Henry and Lord Titchfield, afterwards fifth Duke of Portland, they furnished the necessary money (some £30,000) for the purchase of Hughenden, so that Dizzy might "play the great game." The transaction recalls an almost identical loan by Lord Rockingham to Burke to enable him to buy Beaconsfield, with this difference, that the Whig marquess cancelled by his will Burke's bond for £30,000, whereas we gather from Mr. Buckle that the Tory Duke called in his money, and necessitated the shifting of the mortgage to Mr. Andrew Montagu. But Disraeli more than repaid the assistance by his 'Life of Lord George Bentinck,' the greatest political biography in the language, and by transforming the lifeless Tory remnant into a powerful political party.

Lord Henry Bentinck's present object, we take it, is to gather the scattered members of the Tory party and to plant them on a democratic and national basis by reminding them of the words and the deeds of Lord Beaconsfield. Unfortunately, Disraeli cannot be thus employed in the national service as a dug-out, any more than Bolingbroke, or Burke, or any other great political writer, for the plain reason that all these great men spoke and wrote for the times in which they lived. There are, of course, in the sayings of all political leaders who rise above the common ruck, truths of permanence, things said and done on a platform so elevated that they become classical and quoted by posterity. Lord Henry unceremoniously discards Bolingbroke, and rightly, for beyond a few shrewd observations on human nature and a fine phrase here and there, there is little in his writings worth remembering. Burke and Disraeli have left us more classical wisdom, more quotable truths of universal and perennial pertinence, than any other political authors. But even in them by far the greater part of their reasoning and maxims were applicable only to their own days; and nothing is so dangerous, when it is not futile, as to exhume a paradox that has become a platitude, or to try and cure the diseases of one age by the remedies of another. Burke wrote amidst the horrors of the French Revolution, and his tears fell upon his description of the youth of Marie Antoinette. Disraeli, who chose the novel as the vehicle of his most serious philosophy, wrote in the hungry forties, in the middle



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of the Chartist Movement, when the new poor law was exasperating the country-side, when reports of commissioners on female and child labour in mines and factories were shocking society, when the faces of the poor were really being ground by the rich.

How are Lord Henry Bentinck's ample quotations from *Coningsby* and *Sybil* applicable to the present conditions of labour and capital? Not at all; and that is the weakness of Lord Henry's position, and the reason why this little book, written with so much good feeling and with such laudable intention, must miss fire. The long list of Factory, Workshop and Mines Acts, Housing Acts, Education Acts, the Trades Disputes Act of 1906, and the innumerable devices for fixing wages and hours by agreement, have not only swept away all traces of the days when *Coningsby* and *Sybil* were written, but have reversed the position of labourers and employers. It is not, to-day, the rich who oppress the working-class, but the working-class who oppress the rich. We are perfectly serious. The danger of the times we live in is lest twenty million voters should, without bloodshed, but with ballot boxes, appropriate by taxation for their own benefit the greater part of the possessions of the two million persons who pay income-tax. If Lord Henry wishes to preach national unity, Christian charity, and brotherly love, let him address his sermon, not to the land owner or the plutocrat, but to the hand-workers. All the social reforms in which Lord Henry, much to his credit, is so sincerely interested, housing, improvement of prison treatment, secondary education, the melioration of the lot of the agricultural labourer, will be carried out fast enough—he need not worry about them. The peril is that their cost, recklessly estimated and impatiently piled on the top of war debt, may ruin our financial resources in the competition of the future, and so bring misery instead of benefit in the long run. The enemy is not commercialism, at which Lord Henry tilts with all the enthusiasm of "Young England," but industrialism, as embodied in strikes, restriction of output, and intimidation of individuals. The clients whom we earnestly commend to Lord Henry's protection are not the working-men—they are lords of the ascendant—but his own class, the ancient possessors of the soil, ruined by confiscatory legislation, so crippled by taxation that they cannot inhabit their own houses, and the professional and middle classes, who simply cannot live under present conditions, and whose sufferings are the more pitiable because they must be concealed.

What advice Lord Beaconsfield would have given his countrymen to-day, had he lived in these times, it is, of course, impossible to say. But one assumption we can make with certainty: that were he with us now, and were he sitting down to write a political novel on the social condition of England, it is not for the working-classes that he would invite our compassion. And further we will risk this assertion, that were he warning us of the dangers ahead, it is towards the preservation of our liberty and our property that he would bid us bend our efforts.

#### A DICTIONARY OF FINANCE.

Economic Statesmanship. By J. Ellis Barker: London. John Murray. 15s. net. 1918.

WHAT is a book? is almost as difficult a question as Peel's celebrated query, what is a pound? We have a sincere respect for Mr. Ellis Barker's expert knowledge of European affairs, and nothing but admiration for his untireable industry in collecting and marshalling statistics. But we must be allowed to say that his latest volume on "Economic Statesmanship" is not a book, but a work of reference, a dictionary, as we have called it above, of finance, which no journalist or politician should omit to place on his shelves. Take merely the titles of some of his chapters, "Britain's true wealth and the War Debt," "Would a tariff harm Lancashire?" "France's Position and Future," "Germany and the Indemnity Question." These are vast problems which are not handled historically or philosophically, but statistically, as no doubt they must be. We are told, for instance, that Germany's

wealth in coal, iron and potash, amounts to £237,678,000,000. We daresay it may be so: but who can test a figure of that kind? How many people can form the faintest notion in their heads of the meaning of such a sum? Curiously, the accumulated wealth and annual income of Germany and Great Britain before the war are put at the same figure, viz., Capital, £15,000,000,000, income, £2,000,000,000. Helfferich, late German finance minister, is quoted as stating that Germany saved annually, in pre-war days, £500,000,000. Mr. Barker estimates the damage done by Germany to her opponents as £50,000,000,000, which is twice the war-bill as cast up by Mr. Lloyd George. If Germany devoted her entire surplus for a hundred years to the indemnity, she might liquidate this amount, but "that is scarcely a practicable proposition," truly observes Mr. Barker. All calculations based on Germany's pre-war wealth are misleading, because the retrocession of Alsace-Lorraine to France will deprive her of the bulk of her iron ore, while if Silesia is given to Poland, Germany will lose a coalfield containing more coal than the whole of the United Kingdom. People always forget these little facts in indulging in dreams of indemnity, and Mr. Barker does well to remind us of them. "Besides," he continues, "if Germany were to pay for the damages done by her troops out of her yearly surplus, the Allies would have to re-establish Germany's prosperity." This book has the disadvantage of having been written before the armistice, and so Mr. Barker concludes, "it seems clear that Germany cannot pay an adequate monetary indemnity if defeated." But Mr. Barker thinks that if Germany cannot pay in cash, "she can easily do so in goods," and he advocates the seizure of her coal, iron and oil resources, which is only what Germany did to France in 1870; what she did to Belgium in 1914, and what she tried to do to Russia. Agreed: but it does not seem to occur to Mr. Barker that to seize and exploit the total mineral resources of Germany would require as large an army of occupation for as long a time as the extortion of a cash indemnity. Germany has been defeated, since the publication of the volume, and no doubt Mr. Ellis Barker, the most prolific of our statisticians, and one of the most profane of publicists, will tell us how he thinks, "reparation" if not "indemnities" can best be extracted from a conquered and disrupted empire. The chapters on Italy and the United States are just as full of economic facts as those on England, France and Germany. We have said enough to indicate the permanent value of this volume as a statistical dictionary; but it is not exactly a book to nurse on one's knee after dinner, unless one desires a nap or a headache.

#### MYSTICISM.

The Philosophy of Plotinus. By W. R. Inge. Longmans. 2 Vols. 28s. net.

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the work under review; but, while the two first are, or should be, part of the equipment of anyone who undertakes to write on classical philosophy, Dr. Inge's special qualification for his present enterprise (which, he tells us, has occupied him intermittently for seventeen years) lies in what may be described as his detached interest in the ideas of ordinary minds. For Plotinus, the great Neoplatonist, is separated from Plato and Aristotle by six centuries, during which Platonism was undergoing a gradual process of modification through the minds of such comparatively undistinguished writers as Numenius and Ammonius Saccas. This was a period of much mental activity, especially at Athens and Alexandria, but of little originality or strength of thought; and the result is interesting as an exhibition of popular thinking, as well as a necessary part of the study of Plotinus. Dr. Inge shows us a world in which astrology is a science, universally respected; and in which mathematics (of all subjects) has been invested with religious unction, and even with a mythology. The mysteries of Pythagoreanism, in which the discovery of Abstract Number becomes the key to all wisdom, are a curious example of the human mind's tendency to over-reach itself and make a new superstition of every new advance in knowledge—we have a modern instance in the current cant about "Evolution." But it would be quite unfair to Dr. Inge to suggest that his book is merely, or mainly, a discussion of

"old unhappy, far-off things,  
And battles long ago."

His chief concern is, of course, with the present value of Plotinus, and the philosophy of mysticism.

There is a mysticism of facts, and another of fictions (distinguished in German as "Mystik" and "Mystikismus"). With the pathology of subjectivism and of "the Occult," its visions and manifestations, philosophy is not concerned. But there are facts of the common world, such as the fact of beauty in things of nature and of art, and especially in living persons; which may fairly be called mystical, in the sense that, unlike other facts—the "familiar mysteries" (like lumps of coal) which we can understand and describe more or less adequately in general terms—the appeal of beauty is in every case individual and unique: just in so far as an object is beautiful, it is not a specimen. Beauty stands among other qualities as a surd among other numbers; it seems to have the same sort of significance as the rest, until the attempt is made to analyse it, and then it is found to be "irrational." But this finding is no kind of subjectivism, and is quite distinct from mere pleasurable feeling. It is the appreciation of a unique quality in the object.

To this extent we are all mystics now, that is, if we are at all "subject to the influence of beautiful persons," as even the Platonic Socrates admitted himself to be. But the Mystical Philosophy takes this experience of beauty, and love of the beautiful, to be an analogon of ultimate reality. So, for such a mystic as Plotinus, the world is neither a phantasmagoria nor a mechanical system, however things may seem. "All truth is shadow except the last"; and this ultimate truth, which is also the archetype of all that is good and beautiful in our world of shadows, is a reality which can be experienced by the human consciousness; but the experience from its nature is unique and incommunicable, like our passionate appreciation of charm in things and persons, when we encounter it among the objects of common experience.

This analogy is the key to mysticism in all its forms. The arguments for and against the analogy cannot be discussed here; nor can Dr. Inge's Lectures be said to contribute many new ideas to the discussion. His

book is a gallant attempt to treat Neoplatonism as present philosophy rather than past history, but the frequent references to Messrs. Bradley, Bosanquet, and other modern transcendentalists, to "elucidate" points in Plotinus, are of doubtful service for this purpose. The fact is, Greek metaphysics never worked out a distinct formulation of the "subject-object" relation; and as this is the central factor in the problem of knowledge, it follows that ancient philosophy (and especially ancient idealism), suffers from the absence almost as much as ancient zoology from the lack of a theory of the development of species. Dr. Inge is more successful in his comparison of Plotinus with his predecessors on the one hand, and with Christian theologians on the other. But the most interesting part of the book is the parallel between the mental and social conditions of Europe in the third century, already under the shadow of the approaching collapse of the Roman world, and the precarious prospects of our own civilisation. "In the troublous time which certainly awaits us," the Dean concludes, "the Stoic and Pythagorean disciplines will again come into their own. For us, too, to get rid of the superfluous will be the only road to freedom."

#### THE WORLD, THE FLESH, AND THE ANGELS.

Black Sheep Chapel. By Margaret Baillie-Saunders. Hurst & Blackett. 6s. 9d.

THIS time Mrs. Baillie-Saunders's saints are not "in society." Indeed, they are in sawdust, some of them, and the rest are in the more dazzling, but less reputable, section of what our grandparents called Bohemia. The frontiers of that intriguing land have of late been shifted, and it is hard to say positively, where it begins.

The illegitimate son of a singer, who was also a sinner, adopted by a saint who is also a sawdust merchant, engaged to a saint who is in love with his father-by-adoption without realising it, and becoming eventually himself a famous playwright, makes a complicated, but not uninteresting figure. The background and accessories are really more arresting than the people, who smack a little of Ouida in places. There is something engagingly picturesque about the mixture of ritualism and commerce which George Pen-craft represents. He is never too saintly to be human; and the artistic side of his business quite takes away any flavour of sordidness. The conversion of Rody is a little sudden and the French which the various cosmopolitan characters indulge in is the French of Stratford-atte-Bowe—they invariably address the emphatically male Rody as "ma chérie," for example. However, to have drawn a convincing picture of a rather unusual part of London life and to have constructed a shapely plot that develops itself without *longueurs* is to have written a successful novel.

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## A NEW DOCTRINE

After twenty years' research into the laws governing generation of human energy, the author has made an original discovery in breathing which will entirely revolutionise and reconstruct present ideas concerning cultivation of health and treatment of disease.

Briefly described, it is connected with the all-important part played in the mechanism of Breathing and Poise and Carriage of the Body by the air-chambers of the cranium. They are hollow spaces in the bones which communicate with the upper part of the nostrils and contain air. They are termed in Anatomy "sinuses" and are the "sphenoidal," "frontal," "ethmoidal," and "maxillary." Their existence was known, and that was all. The part played by them in respiration was never suspected, and not a single reference to them in connection with breathing is to be found in any physiological or popular text-book. In short, their existence was ignored, and nobody considered it necessary to try to find out their possible use or significance.

After prolonged investigation conjoined with extensive practice, the author has not only for the first time in history discovered the part assigned to them by Nature in the play of human energy, but has succeeded in turning this immense secret to account by reducing its practical application to very simple rules for daily use, which can be easily carried out with immediate benefit by every man, woman, and child. So far as human energy is concerned, this is by far the most recondite as well as important secret of Nature, for it has a direct and constant bearing upon mental and physical vigour, supplying the key to many diverse and perplexing problems of mental evolution as well as development of physique. In its highest aspect it explains why, in all the Aryan languages, the terms "spirit" and "breath" are identical, as seen in the Greek, Latin and Sanskrit terms. Physically, as well as metaphysically, it is the Spirit or Breath of Life which animates and constantly supplies energy to mind and body.

A little learning in a dangerous thing. A smattering of chemistry suggested that it was necessary to deluge the stomach with medicine in order to convert the acid state of the blood which carries with it low resistance to disease, into the alkaline state of health and high resistance.

This suggestion sprang from ignorance. Nature provides comparative immunity to healthy blood through the preponderance of Hydroxyl ions as distinguished from Hydrogen ions, which preponderate in diseased blood. This knocks to pieces the elaborate theories based upon the use of sera and prophylactics. Hydroxyl is nothing more or less than Hydrogen (waste matter) burnt off by being combined with Oxygen.

The only way to acquire vigour and to cure disease is to understand and to comply with the actual processes ordained by Nature in sustaining living energy. The strong man is strong because he breathes not by fits and starts, in small dribbles and with considerable effort, but easily and copiously day by day, hour by hour, year in and year out. The weak and ailing are at the other end of the scale, being only able to draw the air scantily and with more or less effort.

Just as the Breath of Life is the master key to health and disease, so this discovery is the key to the Breath of Life. Variations of health (accidents excepted) are due to variations of breathing capacity caused by obstruction or congestion in the nostrils and in the passages leading to the sinuses. As a preliminary to good breathing this obstruction must be removed. It can easily be done as a rule without surgical operation or cauterising. Full and easy breathing can only be done in one way—from the centre of the nose upwards and backwards towards the frontal and sphenoidal sinuses. When this has become a daily habit, the effect is remarkable. Then the connection between Breathing and Poise of Body becomes clear.

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It will be taught in every school and college, and practised in every home, in every hospital, and in every sanatorium, for there is only one life, only one energy, which in its positive aspect produces bodily and mental vigour, and in its negative aspect bodily and mental weakness.

## MOTOR NOTES

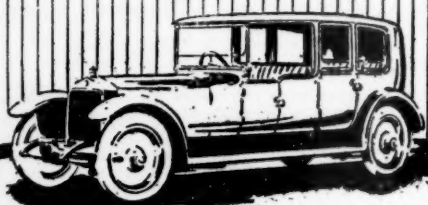
A great deal of attention has been drawn lately to the methods of the Government in regard to ex-service cars. Two of our technical contemporaries denounce in unmistakable terms the scandal of the appalling waste, and pictures have been published showing large numbers of cars to the value of many thousands of pounds dumped down in various parts of London, forming a perfect paradise for the children as playgrounds. It certainly is sufficient to make a motorist weep to see the youngsters playing all sorts of pranks on cars that must have cost anything up to a £1,000, and quite a number of the cars are virtually brand-new. One sees in Cumberland market, Albany Street, W., a large number of cars in all stages of ruin, some with their bonnets on, some with them off, tyres punctured or deflated, mudwings bent almost beyond recognition, and the whole of them exposed to all weathers, and corroded with rust from front to rear. Surely some better arrangements could have been made in the matter of storing, and, if there can be sales of surplus furniture from dissolving Government departments, why not of these cars, before they are fit inly for the scrap-heap?

The promise of more and better petrol has induced many motorists to bring out the car they have had laid up for the past two years or so, and after this prolonged inactivity it is only reasonable to suppose that a number of minor repairs may be required, unless proper precautions were taken at the time of laying the car up. In any case, it will repay the motorist to overhaul his car thoroughly before using it. A thorough overhauling does not necessarily mean actually stripping the car down, as would happen if it were sent to the repairers, or back to the manufacturers, but a general looking over of the more accessible parts. The springs, for instance, may have become stiff and rusted through long standing; it is not

a very difficult matter of remedy this. Take the weight of the car off the spring by jacking it up, wedge the leaves of the spring apart, scrape them, and then work in some spring grease with the blade of a knife. A much better way, although involving more work, is to dismantle the springs entirely, and soak them in paraffin, which is an excellent solvent for rust; then apply the grease and reassemble. The wheel hubs also should be thoroughly cleansed of old grease and any water that may have got into the bearings, and a supply of fresh grease put in. The tyres will require a careful overhaul owing to natural drying or perishing of the rubber which, although possibly not rendering them absolutely useless, may quite conceivably cause a lot of trouble when on the road. Washing with paraffin will be found quite efficacious in most cases where the clutch and brake pedals are found to have rusted up, or become stiff through non-use. An accumulator, should one be used on the car, unless the directions given by the makers have been carried out during the period of storing, will in all probability require an expert. It should not be a difficult matter for any motorist or chauffeur to carry out such a minor overhaul as that outlined, and unless actual repairs or replacements are required, it will be more convenient, seeing that motor manufacturers are all occupied on their new models and repairers busy with more extensive overhauls and repairs.

The high prices being asked for second-hand cars are really astounding, and would lead to the belief that there is a market for anything on wheels, mechanically propelled. Many cars of quite a respectable age are being sold for much above their original cost, whilst the price asked in some cases is absolutely prohibitive. Advantage is being taken of the fact that some months must elapse before the promised post-war models are available.

It is certain, however, that before very long the second-hand market will know what a slump means, at any rate as far as prices are concerned.



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## THE Saturday Review

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## THE CITY

Despite many signs of labour unrest the securities of companies likely to be affected by strikes keep remarkably steady, while several departments of the Stock Exchange, notably Oil shares, are enjoying great popularity. Presumably the monied public have confidence either in the wisdom of labour and capital or in the politicians who intervene between the two. The most encouraging feature of the situation is the statesmanlike views expressed by some of the representatives of capital. At this period of the year the student of finance and commerce may find ample material for thought in the published speeches of bank chairmen at the annual meetings of the proprietors. Unfortunately a great mass of reading matter is provided in the course of a very few days which might be more thoroughly assimilated in smaller doses over a longer space of time.

There is no doubt that the large employers of capital and labour take a serious view of the outlook. The strikes at present in progress involve only a small proportion of the labour forces of the country, but unrest is infectious and there are factors in the financial situation which will need firm but delicate handling in order to obviate misunderstandings. It is an axiom of sound finance that the gold standard should be practically re-established as soon as possible: this involves deflation of currency—a reduction of the outstanding issue of currency notes; with such reduction should come lower wages and cheaper goods. The workman will appreciate a decline in the cost of living when he sees it; but he will not like any visible curtailment of wages. The problem will be to make the wage earner understand that the value of money should be measured only by its buying power. Increased production will reduce the cost of commodities, and if the cost of living is reduced the worker may be much better off with a lower wage than he is now on war-inflated terms. Strikes, on the other hand, will help to increase the cost of commodities.

The spectacle of America going "bone dry" is regarded from two standpoints in this country (1) as a joke (2) as the consummation of an ideal. There is one other point of view which is not humorous and certainly misses the ideal of commercial morality; it is that of the British holder of American brewery shares. Probably it is not generally realised that the brewing industry in the United States is being wiped out by a stroke of the legislative pen and without a dollar of compensation. At a rough estimate we should say at least £10,000,000 of British capital is invested in American breweries by about 20,000 investors, and as some of the shares and debentures are held in fairly large blocks it follows that there are many small holders. But, small or large, the injustice is just the same.

There is nothing criminal in brewing good beer; it is an honest industry; and when a majority (or active and vocal minority) of citizens decide that the remainder shall be deprived of the services of the breweries the shareholders have a perfectly good case for compensation. We are afraid, however, that British shareholders have no redress, as the American public who held brewery shares have been subjected to precisely the same scandalous treatment. We believe representations were made to President Wilson on the matter, but doubtless the ideal of total abstinence appealed more forcibly to him as a politician than that of a fair deal with a group of joint stock companies.

The activity in the Oil share market has reached rather high temperature; but it is satisfactory to note that the "boom" has been practically confined to companies of high merit and prospects. Readers of this column who have adopted the favourable opinions from time to time expressed of such shares as Burmahs, Shells and Mexican Eagles now have the opportunity of cashing very handsome profits if they wish.



## A Frank Letter from a U.S. Soldier

"I find Sanatogen wonderful for building up a run-down system"—writes Lieut-General Young (U.S. Army), and he adds—"I can cheerfully recommend it to those who may be suffering from fatigue and nervousness."

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Then ask yourself, can you afford to ignore a recommendation so honestly given—so forceful and convincing—so applicable to all of us in this country, who after more than four years of war, are still run-down, fatigued, and nervous?

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## FREEMAN HARDY AND WILLIS

THE ANNUAL MEETING of the directors and shareholders of Freeman Hardy and Willis, Ltd., was held on January 27th, 1919, at the offices, Rutland Street, Leicester. Alderman J. North (chairman of directors) presided over a good attendance.

In moving the adoption of the annual report and accounts, the Chairman said it was gratifying to note that they had been well maintained. On the asset side it would be seen that had another highly successful year's trading. The turnover was considerably larger than that of any previous year of the existence of the business, and the profits had land, buildings, etc., at Leicester stood at £70,000; freehold factory at Leicester, £4,852, freehold factory at Kettering, £9,600; freehold shop properties, £184,184; leases and leasehold properties, £36,723, all of which had been depreciated in the usual way. The fittings and fixtures at branch establishments stood at £74,064; trade and other debtors, £47,452; cash in hand and at bankers, £101,591; stock in hand at warehouses and retail branches, £587,640; investments, Five per Cent. War Stock and other Government securities, £246,398, the grand total of the assets reaching £1,360,623. The net profit for the year amounted to £137,427, making with the amount carried forward from last year a total of £198,000 available balance at the disposal of the company that day. The usual 6 per cent. dividend on Preference shares had been paid, amounting to £8,550, and they proposed to pay 12½ per cent. dividend on the ordinary shares for the year, which would absorb £20,039, together with a bonus of 5 per cent. on the ordinary shares, which would require £11,250. The remainder would be dealt with as follows:—Reserve for contingencies, £5,000; directors and staff, £10,000; managers' superannuation fund, £5,403; bonus to employees, £5,625; income tax, £3,706; local and other charities, £2,000; balance to next year, £91,558.

The policy adopted by the directors for many years past had been been a conservative one, but now, after due consideration, they had been led to the conclusion that, having safeguarded the capital of the shareholders by the provision of substantial reserves, including one of £50,000 to meet any contingency which might arise, they felt themselves fully justified in recommending the utilisation of the savings of past years by the proposed distribution of £150,000 to be divided *pro rata* among the holders of ordinary stock at the rate of two new shares to every three held by shareholders at the time of allotment. This recommendation had been approved at an extra-ordinary general meeting of shareholders held in December last and, further, had received the sanction of His Majesty's Treasury. By this action the amount of the ordinary stock will be increased from £225,000 to £375,000. To effect this alteration it was proposed to take £85,000 from the savings referred to and £65,000 from the £91,000 which appeared in the present accounts as "Balance carried forward to next year." This would, of course, reduce the carry-forward to £26,558. In the division of the profits the claims of the employees had not been overlooked, as the various items apportioned for division among those in the service of the company amounted to some £20,000.

Turning to the future, the Chairman said there seemed every indication that the present volume of trade would be maintained for some time to come. The stocks on hand, estimated in terms of pairs rather than value, were not heavy, and, further, the Government was likely to continue to make large demands upon the output. In addition to this their Continental Allies were more than likely to look to the English markets for considerable supplies of footwear until such time as they were able to meet the needs of their own people by their own production.

Mr. H. Simpson Gee seconded, and the motion was agreed to.

On the motion of Mr. Hyslop, seconded by Mr. Lane, a resolution was adopted declaring a dividend of 12½ per cent. on the ordinary shares for the year, together with a bonus of 5 per cent., free of income tax or interest.

## The FORTNIGHTLY REVIEW.

FEBRUARY, 1919. CONTENTS:

Currente Calamo. II. By Sir Sidney Low.  
The United States and Sea Power. By Archibald Hurd.  
Victors and Victims at Westminster. By J. B. Firth.  
A Year in South Russia. By Miss Rhoda Power.  
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Peacemakers of Two Periods. By T. H. S. Escott.  
The Premier and the Welsh Elections. By Beriah Evans.  
America at the Peace Table. By James Davenport Whelpley.  
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An Imaginary Conversation. By George Moore.

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## OMNIUM INVESTMENT

THE THIRTY-SECOND ANNUAL ORDINARY GENERAL MEETING of the Omnium Investment Company, Ltd., was held on January 29th, 1919, at Winchester House, Old Broad Street, E.C., Viscount St. Davids (chairman of the company) presiding, said: Gentlemen, —I beg to move that the directors' report and statement of accounts be received and adopted and that the dividends as proposed therein be declared and paid. There is no doubt that the most interesting thing the shareholders will have noticed in the report is that we propose this year to pay an extra ¼ per cent. of dividend on the deferred stock. You will have noticed also that we propose to increase the carry forward by £7,840. If we had wished to divide the whole of our revenue up to the hilt that would have enabled us to pay an extra 2½ per cent. to our deferred shareholders. If any of you gentlemen have been sufficiently curious to compare the list of investments we gave you last year with the list we are furnishing you with this year you will have discovered that during the year your directors have made 90 changes in that investment list. On those changes we made a profit of £15,000, but, on the other hand, we made losses of £5,200. On the total number of changes, therefore, we made a net profit of over £10,000, which we have used to write down the cost of certain investments.

In our report we mention that there is a depreciation on the book value of our investments. You will be glad to hear that that depreciation is only a fraction over 8 per cent. on the book value of the total number of investments, and, if I may be allowed to say so, the feature of that depreciation is that it is on good securities. When I first became connected with this company we had a very serious depreciation indeed, and the feature of the depreciation in those days was that a great deal of it was what you might call justly merited depreciation—it was depreciation on securities many of which were in serious default. The feature of the depreciation to-day is that it is on good securities—on securities that are paying their interest most of them, just as punctually as they did before the war, and the market price of those securities has been brought down solely by the change in the prevailing rate of interest, and by nothing else at all. You may have noticed that we are carrying forward, as I have told you, out of the revenue of the year £7,840. Why gentlemen, if we had that alone to meet the depreciation, we could get rid of the whole of it in eight years, but that is not the only way in which it ends. We have made profits on sales of over £10,000 in the past year. That goes to deal with depreciation. One year with another, you may take it that we shall usually have profits on sales in this company, and between profits on sales and undivided income 8 per cent. is not a serious figure to deal with at all.

The directors have every hope that the income of the company during the current year will at least be maintained, and that if that revenue is maintained—and we do not see why it should not be—we hope that in a year's time we shall be able to give you something better in the way of dividends that we are recommending to-day. (Hear, hear.) I do not generally talk about other things at a company meeting, but in the circumstances to-day perhaps you will pardon me if I do say a word on finance generally. It seems to me that in Great Britain we have always had plenty of great advantages. We have always had plenty of capital for our home industries, and we have not only had capital for our home industries, but we have been able to finance industries in other countries, and that has been a great advantage to our trade. For instance, this is what happens from my own personal experience. You send out what you call money to build a railway in South America. I say you send out what you call money, but you raise money for that purpose; you do not send out money; what you send out is goods—coal, iron, rails and all kinds of things; you not only send out that money in the form of goods first, by which you benefit British trade, but year by year, when the railways are running, you are sending out goods for maintenance, and you are sending out coal to run the railways, and the supplies of coal that you send out year by year are finding work for British labour at home. Are we going to be in a position in this country in future to finance not only our home trade, but also great enterprises abroad? At the moment, as you know, we are not allowed to do it; but the sooner we are allowed to do it the better, if we are going to have the capital to do it with, and as regards capital, it seems to me that the one bright spot—perhaps I may be wrong—we can see about us is that a number of people in the country—at least one would hope so—have learned to save permanently.

I will ask Mr. Maclaren to second the motion for the adoption of the report and accounts, but before putting it to the meeting I shall be glad to answer any questions.

Mr. A. D. Maclaren seconded the motion, which, in the absence of question or comment, was carried unanimously.



## BRITISH-AMERICAN TOBACCO

THE SIXTEENTH ANNUAL MEETING of the British-American Tobacco Company, Ltd., was held on January 28th, 1919, at the Central Hall, Westminster, under the presidency of Mr. Joseph Hood, M.P., (one of the deputy-chairmen), who was, on the motion of Sir Arthur Charles Churchman, Bt., seconded by Mr. S. J. Gilchrist, voted to the chair, Mr. Duke (the chairman) being absent.

The Chairman said: Now, ladies and gentlemen, taking the assets side of the balance-sheet first, you will observe that the item of real estate and buildings at cost, less provision for amortisation of leaseholds, £674,814, shows an increase of £19,896, principally due to additional expenditure at the American factories and at a warehouse in Liverpool. Plant, machinery, furniture and fittings at cost or under, £491,675, shows a small decrease. There is no change in the item of goodwill, trade marks and patents, which still stand at £879,064. In previous years I have been asked whether it is the intention of the Board to write off this item or some part of it, and I have said that the Board did not think the time was ripe to deal with it. The directors still think that this is a matter which can be fairly left over for further consideration until after peace is concluded. Loans to and current accounts with associated companies, £5,277,913, shows an increase of £822,411. This is to a large extent due to the increased supplies to the associated companies and to some extent to the additional advances made to them in consequence of the increased cost of leaf tobacco and other materials. Investments in associated companies, £5,255,636, shows an increase of £174,452, largely due to additional investments in two of the associated companies. Other investments, £107,055, show an increase of £93,826. This is almost entirely due to an investment of £100,000 in War Bonds. Stocks of leaf, manufactured goods, and materials at cost or under, £8,654,041, is again the principal item on the assets side of the account and shows the very large increase of £3,092,554. This again is principally due to the large advance in the cost of leaf tobacco, wrapping material, etc. While, in view of a possible reduction of the cost in the future, it is not desirable to increase stocks of leaf tobacco beyond a point which is necessary to keep up supplies, yet it is essential to keep them up to a point to ensure the necessary provision for adequately carrying on manufacturing operations. A proportion of the amount is attributable to the increased value of the manufactured stocks at our factories and depots. Sundry debtors (less provision for doubtful debts) and debit balances, £3,228,895, is up by £505,778, due to the increased prices of goods sold to our customers and also to some extent to increased sales.

The last item on the assets side, cash at bankers and in transit, £2,164,301, is up by £475,561. It is, perhaps, well to point out with regard to this item that the item of creditors and credit balances, to which I will refer in a moment, is very largely increased, but taking the whole of the items on the assets side, you will see that they amount to £26,733,400, being an increase of £5,180,886 upon last year, which in itself indicates the large increase in capital which it has been found necessary to employ in the business during the last year. Turning to the liabilities side of the balance-sheet, the issued capital of £4,500,000 Preference shares and £6,254,320 Ordinary shares remains the same as last year. The item of creditors and credit balances, £9,218,293, has again increased as compared with the previous year to the extent of £3,752,636. Some part of this is for indebtedness in respect of leaf purchases, some of it is due to increased amounts owing for supplies, while a considerable portion of it is in respect of additional taxation, not only in this country, but in the United States. Reserves for buildings, machinery and materials, £432,357, is up by £74,037, and, as I pointed out last year, the increase in this item from time to time strengthens the balance-sheet. Premium on Ordinary shares issued, £226,664, shows an increase of £1,800. The explanation of this increase is that one of the directors who had shares allotted to him in 1912 died before the completion of his five years' agreement, and his executrix had under that agreement to pay that amount as the additional price for the purchase of part of the shares allotted to him. Provision for redemption of coupons, £63,188, shows an increase of £2,130.

Special reserve, £1,157,739, shows the large increase of £871,404. You will remember last year I explained that, in consequence of our inability to obtain permission for the distribution of a number of Ordinary shares of the Imperial Tobacco Company of Canada, Ltd., which had been recommended by the directors, but withdrawn at the previous annual meeting, it had been decided to sell, and we had in fact sold, part of the shares to provide us with funds towards the increased cost of leaf and other materials. I further explained that it was our intention to carry the difference between the amount realised and the value at which those shares stood in the books to the credit of the special reserve when the accounts which are now under review came to be prepared. That has been done, and will, I think you will agree, materially strengthen the financial position of the company. The item is larger than the £1,000,000 which I foreshadowed in my remarks last year, because it not only includes the difference arising from the sale of the Imperial Tobacco Company of Canada Ordinary shares, but also a sum arising from the sale of shares in another company, to the extent of about £50,000, which we thought it unnecessary to hold any longer.

The general reserve of £1,500,000 to provide against possible losses arising from the war stands at the same figure as last year. Happily the war has now virtually come to an end, although peace has not yet been declared, but so soon as it is, dates for payment of the amounts due to us in respect of our German assets will automatically also be fixed under the agree-

ment made on the sale of those assets. The item in the balance-sheet this year has had the words "subject to excess profits duty upon any sums which may be recovered in respect of losses in enemy countries" added, and it would perhaps be as well if I explained that this has been done upon the advice of our auditor, because, while we have been assessed in the early years of the war to excess profits duty, the Government allow as a deduction from the profits assessable to excess profits duty certain losses in enemy countries, and only in the event of such losses being recovered, and to that extent, will such deduction have to be written back and become liable to excess profits duty, and it may be that when we have received the proceeds from the sale of our German assets there will be some excess profits duty payable by us. I said last year that it was impossible to say until after the end of the war what our losses would be and to what extent there would be an inroad upon this item. I, however, said that I had no further reason to believe that our estimate of the loss would be greater than that which I had previously mentioned—namely, something approaching half the amount reserved. If, however, we have to make provision out of this item for payment of excess profits duty under the circumstances I have mentioned, it may be that the loss will be somewhat in excess of half the amount previously indicated, but it is impossible, of course, until we know the actual position after the war to say what the amount will be or to give any reasoned estimate.

There only remains one item—namely, profit and loss account balance of £3,380,837. The profits for the year amount to £3,140,174, after making provision for excess profits duty for the year—which is, I may say, in itself quite a substantial amount—as compared with £3,105,002 for the year ended 30th September, 1917, before making provision for excess profits duty for that year. You will see that in the report our estimate of the excess profits duty for the year 1916-17 is £560,000. It would probably have been more accurate to say "the balance of estimated excess profits duty," as we had already provided in that year on account of any possible liability the sum of £200,000, thus making a total of £760,000 as the present estimated liability for that year. It will, however, I think, be quite clear to you that our profits for the year under review are considerably in excess of those of the previous year, because of the provision which has been made this year for the estimated total liability to excess profits duty for the year, whereas in the previous year we only had provided the £200,000 against a liability which is now estimated, as I have just mentioned, at £760,000.

The available balance standing to the credit is now £3,380,837, out of which the directors recommend a distribution on the 31st instant of a final dividend (free of British income-tax) upon the Ordinary shares of 6 per cent., amounting to £375,259, making 30 per cent. for the year, as compared with the same last year, and leaving £3,005,578 to be carried forward. In effect, by reason of the increase in the rate of income-tax by 1s. in the £, this is equal to a distribution upon the Ordinary shares of nearly 3 per cent. in excess of last year. We seriously considered the question as to whether we ought to recommend an increased distribution upon the Ordinary shares, as the earnings would have warranted it, but we felt that we could not do so at present, owing to the impossibility of foreshadowing what capital it would be necessary to employ during the coming year. The whole of the surplus of over three millions is invested in the business of the company, with the exception of £100,000 in War Bonds, which I previously mentioned in commenting on the assets side of the balance-sheet, and while we were indebted to our bankers on the 30th September last in a considerable amount, which has been increased by further loans since, the cost of leaf this season has been materially increased, even as compared with that last year, and other materials show no reduction—in fact, the contrary. At present it is obvious that the whole of the money we have in the surplus carried forward and the additional capital raised by loans from our bankers since the close of our financial year, are still required in the business, and, in fact, the capital employed may have to be further enlarged. It would not, therefore, be prudent on our part to recommend a larger distribution in the way of dividend. While we have had no difficulty in borrowing whatever sums are required for the business, the directors will, if they think it desirable and necessary to do so, have recourse to other methods open to them by increasing the capital of the company, but they must be largely guided in coming to the conclusion when they know whether the higher cost of leaf and materials is substantially maintained or not. Again, as I pointed out last year, this company, in common with others, may be left with stocks bought at high prices at the close of the war, and prudence has therefore to be exercised more especially at this time, when that consideration must largely influence the minds of the directors in forming a conclusion as to the dividends to be paid.

Our output during the year was largely in excess of that of any previous year, and for the first three months of the present financial year—namely, October to December last—it is slightly up even on those record figures. It is, however, impossible to say what effect the changed circumstances will have upon the output for the remaining months of the year, or whether we shall be able at the end of it to present as good a balance-sheet as the one now before you. I now formally beg to move the adoption of the report and balance-sheet for the year ended 30th September, 1918, including the payment on the 31st January instant of a final dividend of 6 per cent. upon the issued Ordinary shares, free of British income-tax. As you are aware, the directors have declared for the year 1918-19 an interim dividend of 6 per cent., free of British income-tax, also payable on the 31st instant, so that you will receive upon that date 12 per cent. (Applause).

Mr. Lawrence Hignett seconded the motion, which, after some congratulatory remarks, was carried unanimously.

## LONDON JOINT CITY AND MIDLAND BANK, LTD.

THE GENERAL MEETING of the Shareholders of the London Joint City and Midland Bank Limited was held at the Cannon Street Hotel, London, E.C., on Wednesday, the 29th day of January, 1919, for the purpose of receiving the Report and Balance-sheet, declaring a dividend, electing directors and auditors, and other ordinary business. There was a large attendance.

The Chairman (Sir Edward H. Holden, Bart.), in moving the adoption of the reports and accounts, and after briefly reviewing the political circumstances leading up to the war, and Germany's calculated military and financial preparations, proceeded to give an estimate of the cost of the war in the United Kingdom, Germany and America, and to show how these countries stood with regard to their national indebtedness.

### THE COST OF THE WAR.

In the case of the United Kingdom, he estimated that, after allowing for further borrowings and deducting the value of the surplus assets and the recoverable proportion of our loans to Allies, the net amount of our debt would stand at £6,418 millions. By a similar process of adjustment he estimated Germany's Imperial Debt at £8,300 millions, not including the liabilities of the different Federal States. Referring to the law of 1914, which permitted the Reichsbank to issue its notes against Treasury bills, he pointed out the great increase in both these items during the war. Before the war, the ordinary trade bills of exchange amounted to only £37,545,000; in December last the amount, practically all Treasury bills, was £1,222,954,000, while the notes issued rose from £94,544,000 to £1,056,216,000 in the same period.

### AN UNSOUND FINANCIAL METHOD.

On this subject the Chairman said that an issue of notes against Treasury bills was wrong in principle, because it was not certain that the bills would be paid off when they matured. The Reichsbank was realising this in the enormous amount of bank notes which it had issued against Treasury bills which were not being paid off. He next referred to the financial position in America, and in doing so commented favourably on the policy of the Treasury in issuing Certificates of Indebtedness to the American bankers in the interval between the issue of the Liberty Loans, and fixing the maturities of these certificates so that they fell due on or about the instalment dates of the loan. The bankers were therefore in the position of being able to use these certificates in payment of their customers' applications, and the War Loans were paid-up without any disturbance to the Money Market. In addition, by these methods the Treasury were enabled to anticipate the proceeds of the War Loan and at the same time to prevent the accumulation of a large amount of floating indebtedness.

### THE AMERICAN BANKING SYSTEM.

The net debt of the United States—on the assumption that their loans to the Allies, which might eventually amount to about 2,000 millions were all repaid—was put by Sir Edward at 2,600 millions, against ours of 6,418 millions, and 8,300 millions in the case of Germany; and he thought that in view of the wealth of the people, their banking system and their productive capacity, the burden ought to prove a light one. The new Federal Reserve Banking System had been a very important factor in enabling the American Government to issue their loans and to solve the financial problems of the war. When it was decided by the American Government, after the crisis of 1907, that a new banking system was required, the framers of the new law kept before them the necessity of adopting a system under which the note issue would be dependent upon the demands of trade, automatically expanding and contracting according to the real requirements of the country. Their object was to ensure that when trade was brisk the notes would be increased, and when trade slackened the notes would be returned to the bank. To effect this object the Government agreed to issue notes to the Federal Reserve Banks on the security of commercial bills of exchange and gold, and these banks put the notes into circulation. The theory was that additional currency could be obtained when trade required it by the discount of bills of exchange, but that the bills of exchange, being of short date, their payment, when due would necessarily cause a contraction of the notes issued against them. A large and increasing volume of trade entailed an increased use of bills of exchange and required an expansion in currency. To provide for the expansion of the currency an issue of notes against Bills of Exchange seemed to be the simplest and safest way of meeting trade requirements, but the total issue should be limited in proportion to the amount of the gold reserve. When trade diminished in volume and bills of exchange were paid off, the total of notes outstanding must automatically be reduced.

### THE CURRENCY QUESTION.

The Chairman next proceeded to deal with the recently issued report of the Currency Committee. Having alluded to the restrictive conditions of the Bank Charter Act of 1844, its effects in the critical time of the outbreak of war, and to the decision of the Government to issue their own currency notes in preference to permitting the Bank of England to go outside its Charter, he emphasised the argument he had advanced at the previous annual meeting, namely, that the Bank Act should be repealed, that the Bank of England should be authorised to issue notes on the security of gold and bills of exchange, that the two departments of the Bank should be amalgamated and that the whole of the liabilities and assets of the Bank should be shown in one balance sheet. This argument, he said, held good at the present time. If there should be any difficulty about the issue of Bank of England notes, then undoubtedly more currency notes would have to be issued. Bankers had a very great work before them

to provide the means for the reconstruction of the trade and business of the country, and they should not be left in doubt, in other words, they ought to know definitely that in case of necessity Bank of England notes or currency notes would be provided.

### "SERIOUS FOR THE NATION."

As we stood at the present time, before the Bank of England could issue notes against securities, it would have to obtain the sanction of the Treasury. The sanction of the Treasury, or of the Government, had been given for this purpose on four occasions, and on each occasion a stipulation had been made that the Bank rate should be put up to 10 per cent. or thereabouts. So the presumption was that if the Bank of England should receive Treasury sanction to issue notes at the present time against securities, a similar condition would be attached, namely, an increase in the Bank rate to 10 per cent. To adopt such a method when the country was reconstructing its trade and industry, and when manufacturers and others were requiring increased accommodation, would lead to undue restriction of credit, would impede reconstruction, and would curtail our exports, just at a time when we were anxious to export more than we had ever exported before. The result might be serious for the nation. No proper discrimination was made between the case when additional currency was needed to meet trade requirements and the case when additional currency was needed in consequence of over-trading. We were in the same position in a smaller degree with regard to our currency notes as the Reichsbank was with regard to its bank notes. We had in circulation over 300 millions of currency notes, which, except for a comparatively small amount in gold, had been issued against securities. There was no automatic system for the redemption of currency notes as would be the case if they were issued against bills of exchange, which in due course would have to be paid off.

### THE CURRENCY COMMITTEE'S RECOMMENDATIONS.

The result of the Committee's deliberations had been to recommend that the Bank of England should continue to work under the Bank Act as heretofore, which meant that we were to undergo in the future the same experiences as we had undergone in the past. It seemed to him (the chairman) that the method adopted in the American Federal Reserve Bank was more worthy of recommendation, and that notes should not be issued against Government securities, which might or might not be paid off, but against bills of exchange which must be met at their due date. One of the experiences we had undergone since the Bank Act came into operation had been that the Bank rate had been altered about 473 times, whereas in France and Germany, during the same period, the rates of their central banks had been altered 123 and 212 times respectively. These alterations in the Bank rate adversely affected the position of our trading community, and might have been avoided on some occasions under a better system.

### CAPITAL REQUIREMENTS OF THE FUTURE.

Having answered the objections to the amalgamation of Bank of England departments embodied in the Currency Committee's report, the chairman dealt with another of the Committee's recommendations, which touched very closely the present condition of affairs and the reconstruction which had to be brought about in our trading concerns. All admitted that capital would be required to reconvert those concerns which had been used for the manufacture of munitions of war, and that large resources would be required to renew and bring into a state of efficiency machinery and plant which had been allowed to deteriorate. Large sums of money would also be required for the purchase of raw materials and the extensions of business. All agreed that it was necessary to increase our exports, but before we could do this the reconstruction of our industries was necessary. If the industries were not to look for accommodation to the bankers who had gathered up all the resources of the country, then the reconstruction and reconversion which were necessary could not take place. The Committee stated that "the shortage of real capital cannot be met by the creation of fresh purchasing power in the form of bank advances to manufacturers under Government guarantee or otherwise." Did this mean that the industries of our country were not to seek accommodation from the banks for the purposes indicated? If they were to wait for the savings of the people, which must be accumulated slowly out of the profits of employers and out of wages, it appeared to him that our industries would be left to languish.

### "AN INTERNAL DRAIN FOLLOWING AN EXTERNAL DRAIN."

The speaker next criticised the Committee's recommendation that during the period of transition additional currency issues should be made against Bank of England notes taken from the reserve in the banking department. This, he thought, might lead to the serious depletion of the reserve. Objection was also urged against the Committee's proposal that the 28½ millions of gold held as cover against the currency notes should be held in the Bank of England, and that Bank of England notes should be substituted for it. If that meant that bank notes were to be used in place of gold in case currency notes were presented for payment, it would amount practically to a breaking of the Act which provided that the latter shall be paid at the Bank of England in gold. If, therefore, the currency note gold was paid into the Bank of England and currency notes were presented for payment in gold at a time when the gold in the Bank had been reduced by foreign demands, we should have an internal drain following an external drain for gold. It seemed to him that it would be much better to go on as we were than to adopt the recommendation of the Committee.

### THE COMMITTEE AND THE JOINT STOCK BANKS.

Coming to a question in the Report which closely affected the Joint Stock Banks, the Committee made the suggestion that banks should hold a line of Treasury bills and short-dated



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Government securities, holding out the inducement that such securities might be discounted at the Bank in case of pressure. This, in his opinion, was an unwise suggestion. We had recently had a great change in the condition of the Joint Stock Banks, as a result of which they had become much larger and more powerful. For this reason, he thought, they ought to keep sufficient reserves to make themselves independent of any need for discounting at the Bank of England in times of crisis. If the recommendation of the committee were carried out, and a crisis should occur there was no doubt that very large amounts of bills would be required to be discounted at the Bank, and the reserve would be reduced as at the beginning of the war. In his opinion, the policy of the Joint Stock Banks ought to be to make themselves independent of the Bank of England by maintaining large reserves in their own vaults, thus removing the necessity for going to the Bank for assistance.

#### THE JOINT STOCK BANKS AND THEIR GOLD.

The Committee also recommended that the gold which the Joint Stock Banks held in their vaults should be taken away from them and handed to the Bank of England. If this were done, the position of the Joint Stock Banks would be weakened in the eyes of the public and of foreign bankers. It was their duty to protect their depositors with reserves of the very best quality, and to take away the gold of the Joint Stock Banks, which had proved so useful during the war, was to take away from the depositors of the Joint Stock Banks the best reserve a bank could hold. The transfer of the gold would not improve the Bank of England's position, while that of the Joint Stock Banks would be greatly depreciated.

#### PROTECTING THE EXCHANGES.

It was alleged that the gold of the Joint Stock Banks and the gold from the Currency Note Department were required by the Bank of England in order to protect the foreign exchanges, but there were other means which could be adopted to support the exchanges. In course of time, when credit had been properly re-established and prices had fallen, the amount of currency notes would be greatly reduced, perhaps to something like 100 to 120 millions, or an amount corresponding to the amount of gold which used to circulate. He would suggest, therefore, that one hundred per cent. of gold should be accumulated and held as a reserve by the Government against the currency notes in circulation, thus making the currency note always convertible into gold. The gold thus held would not be so liable to attack as the gold in the Bank of England, and would always be available as a second reserve. In addition, the Joint Stock Banks should continue to hold gold in their reserves in increased amounts. We should thus have three reserves of gold; one reserve in the Bank of England, another held against the currency note, and a third reserve in the vaults of the Joint Stock Banks, thus giving three reserves acting as one reserve for the protection of the exchanges. He felt satisfied that this plan had only to be tried to prove successful.

#### RESULTS OF THE RECENT AMALGAMATION.

The Chairman then proceeded to deal with the figures of their own bank for 1918. In the first place he congratulated the shareholders on the amalgamation with the Joint Stock Bank, assuring them that it had been satisfactory in every respect to the directors of both banks. The capital account was increased from £5,192,697 to £7,172,697. The reserve fund had been increased from £4,346,000 to £7,172,697 by the transfer from the capital, reserve and carry forward of the Joint Stock of £2,326,697, and of £500,000 from the profit and loss account of the combined bank for this year.

#### AN INCREASED RESERVE.

Being able thus to increase the capital and reserve fund to such figures was one of the great advantages accruing from the amalgamation. The Joint Stock Bank had contributed to the capital of the London Joint City and Midland Bank a sum of £1,980,000, and the London City and Midland Bank contributed £5,192,697. The Joint Stock Bank had contributed to the reserve fund of the combined bank a sum of £2,326,697, and the Midland Bank contributed £4,346,000. They had received from the Joint Stock Bank sufficient profits to enable them to pay 18 per cent. on the capital given to their shareholders, together with a surplus sufficiently large to enable them to contribute their share towards the increased reserves of the bank. The directors were highly satisfied with the amalgamation and its results.

#### THE NEW FULLY-PAID SHARES.

At their meeting in September they laid it down as the policy of the directors to try to give the shareholders a benefit by the issue of shares at a price substantially below the market value. In place of increasing the dividend, and during the year they had issued to the shareholders new shares fully paid in the proportion of one new share for seven old shares. Each new share, £2 10s. fully paid, was issued at the price of £5 and was now selling at from £8 7s. 6d. to £8 10s., thus showing a profit to the holder of £3 7s. 6d. to £3 10s. per share. The advantage of the policy of increasing the capital and reserve fund rather than the dividend was that the bank was strengthened and not weakened by the transaction. In making choice of this policy they had taken into consideration the interests of two distinct and separate bodies of persons, namely, the depositors and the shareholders.

#### LARGE INCREASE OF DEPOSITS.

The increase in the figures showed that the bank enjoyed the greatest confidence from depositors. In 1910 the deposits were £73,415,000, and they rose annually until they amounted to £220,552,000 in 1917. In 1918, exclusive of the Joint Stock Bank, they were £271,000,000, and inclusive of it £334,898,000.

#### THE POLICY WITH REGARD TO DIVIDEND.

He (the Chairman) need not say that an increase in dividend would not be regarded with the same degree of favour by their depositors as a strengthening of the capital and reserves of the bank. The policy which they had adopted would undoubtedly meet with greater favour from depositors than would the policy of increasing dividend. They still adhered to the same policy, and hoped to repeat the transaction of issuing new shares. When the present issue was completed their capital would be increased by £1,250,000 and their reserve fund by a similar amount, and there could be no question that their depositors would look upon this policy of strengthening the position of the bank as a better policy than increasing dividend. As regards the shareholders, it must be remembered that their capital was responsible for the liabilities of the bank, and such being the case, they were interested in the conservative policy which the directors were pursuing. They had an advantage in the issue of new shares which was equivalent to an increase in the dividend, and their permanent interests were more carefully safeguarded than they would be if the dividend had been increased.

#### FINANCING OUR FOREIGN TRADE.

Acceptances on behalf of colonial and foreign bankers had increased from £8,827,000 in 1917 to £13,146,000 last year. It was through this medium that our imports and exports were financed. These figures would grow still larger now that the war was over, because trade restrictions in this country and in foreign countries were being removed. The payment of these acceptances was ultimately made in London, and this has been one of the means by which London had become the financial centre of the world. They hoped, of course, that London would remain the financial centre, but this would depend to a large extent upon the accommodation which London bankers were able to afford foreign bankers by way of acceptances.

#### THE BANK'S ASSETS.

The bank's cash amounted to £63,756,000, as against £44,110,000 the previous year, and consisted of eight millions of gold, Bank of England notes, currency notes, and a Bank of England balance payable on demand. These items did not earn interest, and it was their ambition in the future to displace both currency notes and Bank of England notes by gold. After stating that the money at call and very short notice amounted to £65,800,000, the Chairman pointed out that the investments amounted to £61,600,000, of which £57,500,000 were in War Loan, War Bonds, Exchequer Bonds and other Government securities. A few of these investments were taken at cost, but the great bulk were written down to market value, and ample provision had been made for any depreciation which might occur. Very little further depreciation was anticipated, on the contrary, they might be expected to rise in value. The bills of exchange, amounting to £39,249,000 were good trade bills, bankers' bills and Treasury bills, none of which had more than three months to run. Liquidity had been considered more than a larger profit. These bills were gilt-edged. The advances on current and other accounts amounted to £99,214,000, against £68,510,000 for 1917; the percentage to deposits being slightly under 30, compared with 31.1. He did not see how complaints that bankers did not accommodate their customers to the extent that they ought, could be made against this bank, seeing that it was affording to the trade and industry of the country a sum of nearly 100 millions sterling. In no sense could it be alleged that this bank had not done its duty to its borrowing customers, or that it had not assisted the trade and industry of the country to a legitimate and generous extent. They were quite alive to the fact that increased demands might be made upon them during the next year or two, and to the dangers with which they would be confronted, and it was for these reasons that they had taken the prudent course of providing for future contingencies, a course which, he was sure, would meet with the shareholders' approval.

#### THE BOARD'S CONSERVATIVE POLICY.

After referring to the satisfactory results of the purchase of the Belfast Bank shares, the Chairman pointed out that although the past year's results of their own bank had been so good, it must be remembered that we were working in a period of high prices as well as of large profits, and it must not be assumed that the same profits would be made when rates fell. It was their duty, therefore, to make proper provision for the difficulties of the reconstruction period, and against any possible losses that might be made in spite of the greatest care. The board did not consider that to be a wise policy. During the past three years, they had paid £1,000,000 in salaries and bonus to their staff serving with the Forces and in bonus to other members of the staff.

The Chairman concluded his speech (a full pamphlet of which may be obtained from the bank) by moving the adoption of the report and accounts.

Mr. W. Graham Bradshaw seconded the motion, which was carried unanimously, and the dividend recommended was declared.

The retiring directors were re-elected, as were also the auditors. Lord Terrington moved, and Mr. A. J. Hobson (of Sheffield) seconded, a resolution thanking the chairman and board of directors for their careful attention to the interests of the bank, and this was unanimously adopted.

Mr. A. H. Goschen proposed a vote of thanks to the general managers, assistant general managers, secretaries, branch managers and other officers of the bank for their continued attention to the duties of their offices.

This was seconded by the Right Hon. Reginald McKenna and carried with acclamation, and the vote was responded to, on behalf of the Staff, by Mr. S. B. Murray (joint general manager).

## LONDON JOINT CITY AND MIDLAND BANK Limited.

ESTABLISHED 1836.

Authorised Capital £41,450,000 . 0 . 0  
Paid-up Capital - £7,172,697 . 10 . 0

Subscribed Capital £34,428,948 . 0 . 0  
Reserve Fund - £7,172,697 . 10 . 0

## DIRECTORS.

Sir EDWARD H. HOLDEN, Bart., Chairman and Managing Director.  
WILLIAM GRAHAM BRADSHAW, Esq., London. ALEXANDER H. GOSCHEN, Esq., London, Deputy Chairmen.  
The Right Hon. LORD AIREDALE, Leeds. FREDERICK HYDE FOX, Esq., Liverpool. EMANUEL MICHEL BODOCANACHI, Esq., London.  
Sir PERCY ELLY BATES, Bart., Liverpool. B. SIMPSON GEE, Esq., Leicester. Sir THOMAS ROYDEN, Bart., M.P., Liverpool.  
ROBERT CLOVER BEAZLEY, Esq., Liverpool. JOHN GLASBROOK, Esq., Swansea. Sir EDWARD D. STERN, D.L., London.  
WILLIAM BENNETT, Esq., London. CHARLES GOW, Esq., London. EDMUND R. TERTON, Esq., M.P., Thirak.  
WILLIAM T. BRAND, Esq., London. JOHN RICHARD HILL, Esq., York. LEWIS H. WALTERS, Esq., London.  
WALTER S. M. BURNS, Esq., London. CHARLES E. JOHNSTON, Esq., London. The Right Hon. Sir GUY FLEETWOOD  
The Right Hon. LORD CARNOCK, G.C.B., London. The Right Hon. REGINALD MCKENNA, London. WILSON, K.C.B., K.C.M.G., G.C.I.E., London.  
STANLEY CHRISTOPHERSON, Esq., London. CHARLES THOMAS MILBURN, Esq., London. WILLIAM FITZTHOMAS WYLEY, Esq., Coventry.  
DAVID DAVIES, Esq., M.P., Llandham. FREDERICK WILLIAM NASH, Esq., Birmingham. Sir DAVID YULE, London.  
The Right Hon. The EARL OF DENBIGH, C.V.O., London. The Right Hon. LORD PIRRIE, K.P., London.

HEAD OFFICE: 5, THREAPLE NEEDLE STREET, LONDON, E.C. 2.

Joint General Managers: S. B. MURRAY, F. HYDE, J. F. DARLING, E. W. WOOLLEY, R. RICHARDS.

Dr.	LIABILITIES AND ASSETS, 31st December, 1918	Cr.
To Capital Paid up, viz. :—	By Cash in hand (including Gold Coin £8,000,000) and Cash at Bank of England .. .. .	£ s. d. £ s. d.
£2 10s. 0d. per Share on 2,669,079 Shares of £12 each .. .. .	" Cheques on other Banks in transitu .. .. .	63,756,371 2 5
7,172,697 10 0	" Money at Call and at Short Notice .. .. .	2,001,486 12 7
" Reserve Fund .. .. .	" Investments :—	65,609,169 12 4
7,172,697 10 0	War Loans, at cost (of which £432,979 15s. is lodged for Public and other Accounts) and other British Government Securities .. .. .	57,463,594 19 3
" Dividend payable on 1st February, 1919 .. .. .	Stocks Guaranteed by the British Government and Indian Railway Debentures .. .. .	468,383 12 0
451,879 18 10	British Railway Debenture and Preference Stocks, British Corporation Stocks .. .. .	1,112,725 19 8
" Balance of Profit and Loss Account, as below .. .. .	Colonial and Foreign Government Stocks and Bonds .. .. .	1,410,465 18 10
15,472,372 13 5	Sundry Investments .. .. .	1,145,481 1 8
" Current, Deposit and other Accounts 334,898,435 12 6	" Bills of Exchange .. .. .	39,249,296 3 2
" Acceptances on account of Customers 13,145,849 2 11		
		232,416,975 1 9
	" Advances on Current and other Accounts .. .. .	99,213,614 15 6
	" Advances on War Loans .. .. .	14,218,201 2 1
	" Liabilities of Customers for Acceptances .. .. .	13,145,849 2 11
	" Bank Premises, at Head Office and Branches .. .. .	3,762,327 6 7
	" Belfast £a k Shares :—	
	50,000 £12 10s. Old Shares £2 10s. paid 150,000 £12 10s. New Shares £2 10s. paid Cost .. .. . £1,237,500 0 0	
	Less part Premium on Shares issued 477,810 0 0	
		759,690 0 0
		£363,516,657 8 10

Dr.	PROFIT AND LOSS ACCOUNT for the year ending 31st December, 1918.	Cr.
To Dividend at 18 per cent per annum for the year ending 31st December, 1918, less Income Tax .. .. .	By Balance from last Account .. .. .	£ s. d. £ s. d.
919,885 10 5	" Net profits for the year ending 31st December, 1918, after providing for all Bad and Doubtful Debts .. .. .	733,785 5 8
" Reserve Fund for future Contingencies 600,000 0 0		
" Salaries and Bonus to Staff serving with H.M. Forces and Bonus to other Members of the Staff .. .. .		
489,132 14 7		
" Bank Premises Redemption Fund .. .. .		
100,000 0 0		
" Officers' Pension Fund .. .. .		
100,000 0 0		
" Staff Widows' Fund .. .. .		
50,000 0 0		
" Reserve Fund .. .. .		
500,000 0 0		
" Balance carried forward to next account 675,097 14 7		
£3,434,115 19 7		£3,434,115 19 7

EDWARD H. HOLDEN, CHAIRMAN AND MANAGING DIRECTOR.  
W. G. BRADSHAW }  
A. H. GOSCHEN } DEPUTY CHAIRMEN.

R. MCKENNA,  
W. S. M. BURNS } DIRECTORS.

## REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE LONDON JOINT CITY &amp; MIDLAND BANK LIMITED

In accordance with the provisions of Sub-section 2 of Section 113 of the Companies (Consolidation) Act, 1908, we report as follows :—

We have examined the above Balance Sheet in detail with the Books at Head Office and with the certified Returns from the Branches. We have satisfied ourselves as to the correctness of the Cash Balances, Cheques on other Banks in transitu, and the Bills of Exchange, and have verified the correctness of the Money at Call and Short Notice. We have also verified the Securities representing the Investments of the Bank, and having obtained all the information and explanations we have required, we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

WHINNEY, SMITH &amp; WHINNEY, CHARTERED ACCOUNTANTS,

Auditors,

LONDON, 14th January, 1919.

THIS BANK IS THE PROPRIETOR OF THE BELFAST BANKING COMPANY, LIMITED